

Accounting & Consulting Group, LLP

Certified Public Accountants

STATE OF NEW MEXICO
MCKINLEY COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012



**STATE OF NEW MEXICO
MCKINLEY COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012**



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STATE OF NEW MEXICO

McKinley County

Official Roster

June 30, 2012

<u>Name</u>	<u>Elected Officials</u>	<u>Title</u>
David R. Dallago, Jr.		County Commissioner - Chairman
Carol Bowman-Muskett		County Commissioner
Genevive Jackson		County Commissioner
Jacqueline Sloan		County Clerk
Richard Bowman		County Treasurer
Phillip Gutierrez		County Assessor
Felix Begay		County Sheriff
Tommy Nelson		County Probate Judge

	<u>Administrative Officials</u>	
Richard Kontz		County Manager
Sara A. Keeler		Finance Director
Josephine Alonzo		Chief Deputy Treasurer
Douglas W. Decker		County Attorney

FINANCIAL SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The U.S. Office of Management and Budget and
The Board of McKinley County Commissioners
McKinley County
Gallup, New Mexico

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of McKinley County, as of June 30, 2012, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the County, as of June 30, 2012, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the budget comparisons referred to above present fairly, in all material respects, the respective budgetary comparisons for the year then ended in conformity with the budgetary basis of accounting as prescribed in the New Mexico Administrative Code, as more fully described in Note 2 to the financial statements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2012 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 10 through 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 9, 2012

STATE OF NEW MEXICO
McKinley County
Management's Discussion and Analysis
June 30, 2012

As management of McKinley County (the County), we offer readers of McKinley County financial statements this narrative overview and analysis of the financial activities of McKinley County for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with the financial statements of McKinley County and additional information provided.

Financial Highlights

- The assets of McKinley County exceeded its liabilities at the close of the most recent fiscal year by \$106,985,813 (*net assets*). Of this amount, \$21,079,355 (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors.
- Change in net assets for the year end was \$4,263,881. The increase is primarily due to an increase in property tax revenue.
- At the end of the current fiscal year, fund balance for the general fund was \$23,283,313, or 226 percent of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to McKinley County's basic financial statements. McKinley County'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 McKinley County's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of McKinley County 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. The governmental activities of McKinley County include general government, public safety, public works, culture and recreation, and health and welfare.

The government-wide financial statements can be found at Exhibits A-1 and A-2 of this report.

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. McKinley County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of McKinley County can be divided into two categories: governmental funds and fiduciary funds.

STATE OF NEW MEXICO
McKinley County
Management's Discussion and Analysis
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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 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 evaluating a government's near-term financing requirements.

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

McKinley County maintains 43 individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General fund, Indigent Health Care Special Revenue Fund, Adult Detention Fund Special Revenue Fund, and the State Projects Capital Projects fund, all of which are considered to be major funds. Data from the other 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.

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

The basic governmental fund financial statements can be found at Exhibits B-1 and B-2 of this report period

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 McKinley County's own programs.

McKinley County fiduciary funds account for the collection of property taxes and special fees and their remittance to other governmental agencies, and accounts for the Telecommunication program fees collected on behalf of the provider.

The Statement of Fiduciary Assets and Liabilities- Agency Funds can be found at Exhibit D-1 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34-55 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 64-129 of this report.

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 McKinley County
 Management's Discussion and Analysis
 June 30, 2012

Government-wide Financial Analysis

Since this is the fifth year to report all activities on the accrual basis of accounting, a detailed comparison to the prior year is presented.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of McKinley County, assets exceeded liabilities by \$106,985,813 and \$102,841,612 at the close of the fiscal years ended June 30, 2012 and June 30, 2011, respectively. The County also had revenues that exceeded expenditures during the year in the amount of \$4,263,881 which increased net assets in the current year.

A large portion of the County's net assets (38 percent) reflects its investment in capital assets (e.g., land, buildings, other improvements, infrastructure and furniture and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion (\$44,890,245) of McKinley County's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$21,079,355) may be used to meet the government's ongoing obligations to citizens and creditors.

McKinley County is able to report positive balances in all three categories (Invested in capital assets, net of related debt, Restricted, and Unrestricted) of net assets, for the government as a whole as of June 30, 2012.

**McKinley County's Net Assets
 June 30, 2012**

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 68,280,417	\$ 65,862,363
Capital assets	<u>66,846,213</u>	<u>67,454,226</u>
Total assets	<u>135,126,630</u>	<u>133,316,589</u>
Current Liabilities	3,369,466	4,291,736
Non-current liabilities	<u>24,771,351</u>	<u>26,183,241</u>
Total liabilities	<u>28,140,817</u>	<u>30,474,977</u>
Net assets:		
Invested in capital assets, net of related debt	41,016,213	40,309,226
Restricted for:		
Debt service	4,709,659	3,716,999
Capital projects	16,390,781	15,561,104
Other Purpose- special revenue	23,789,805	22,102,026
Unrestricted	<u>21,079,355</u>	<u>21,152,257</u>
Total net assets	<u>\$ 106,985,813</u>	<u>\$ 102,841,612</u>

STATE OF NEW MEXICO
 McKinley County
 Management's Discussion and Analysis
 June 30, 2012

Changes in Net Assets

The County's total revenues of \$41,294,568 and program expenses of \$37,030,687 resulted in a change in net assets of \$4,263,881. The County incurred an increase in capital outlay expenditures over the prior year. The County also maintained favorable budget to actual expenditure variances. While comparing balances from current year to the prior year, the accounts may vary due to the prior year auditor grouping accounts differently than the County grouped them in current year.

This section contains a condensed comparison of revenues and expenditures and explanations for significant differences. The table shows the summarized revenues and expenditures for the years ended June 30, 2012 and June 30, 2011.

Program revenues:		
Charges for service	\$ 4,690,368	\$ 6,274,769
Operating grants and contributions	6,958,024	9,494,602
Capital grants and contributions	400,000	385,200
General revenues:		
Property taxes, levied for general purposes	7,719,562	7,222,612
Gross receipts taxes	17,594,840	14,823,968
Gasoline and motor vehicle	957,743	972,460
Other	1,470,727	1,462,740
Payments in lieu of taxes	1,049,488	1,710,670
Interest income	341,942	339,808
Miscellaneous income	185,719	1,016,118
Proceeds from sale of capital assets	1,483	-
Loss on disposal of capital assets	(9,460)	(94,073)
Special item - deletions of CIP	(198,938)	-
Special item - transfer from/(to) agency fund	133,070	(627,070)
	<u>41,294,568</u>	<u>42,981,804</u>
Program expenses:		
General government	\$ 7,630,084	\$ 7,414,272
Public safety	14,468,883	16,107,390
Public works	6,162,276	7,012,391
Culture and recreation	-	2,800
Health and welfare	7,527,931	6,340,864
Interest on long-term debt	1,241,513	1,159,246
	<u>37,030,687</u>	<u>38,036,963</u>
Total Expenses	<u>37,030,687</u>	<u>38,036,963</u>
Change in net assets	<u>4,263,881</u>	<u>4,944,841</u>
Net Assets - ending	<u>\$ 106,985,813</u>	<u>\$ 102,841,612</u>

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Management's Discussion and Analysis
June 30, 2012

Financial Analysis of the Government's Funds

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

The focus of McKinley County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing McKinley County's financing requirements. In particular, *unrestricted fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, McKinley County's governmental funds reported combined ending fund balances of \$65,582,882, a increase of \$3,586,268 in comparison with the prior year. Approximately 1 percent of this total amount, \$755,546, constitutes *unassigned fund balance*, which is available for spending at the government's discretion, and 99 percent of this total amount, \$64,827,336, is *restricted or committed for budgeted items in the major and non-major special revenue funds*.

The general fund is the chief operating fund of McKinley County. At the end of the current fiscal year, *unassigned* fund balance of the general fund was \$975,389, while total fund balance was \$23,283,313. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 9 percent of total general fund expenditures, while total fund balance represents 226 percent of that same amount. Fund balance of McKinley County's General Fund increased by \$1,343,916 during the current fiscal year. The increase is due to an increase in gross receipts and property tax collections.

The Indigent Health Care Fund has a total fund balance of \$1,251,356. At the end of the current fiscal year, *unassigned* fund balance of the Indigent Health Care Fund was \$0. The net increase in fund balance during the current year in the Indigent Health Care fund was \$256,689. This increase is due primarily to transfers into the indigent health care fund for increased health care claims.

The Adult Detention fund has total fund balances of (\$219,843). At the end of the current fiscal year, *unassigned* fund balance of the Adult Detention fund was \$(219,843). The net decrease in fund balance during the current year in the Adult Detention fund was (\$343,914). This decrease is due primarily to a transfer from the General Fund for repairs to the building and a slow collection of out of county prisoner care contracts.

The State Projects Capital Projects fund has a total fund balance of \$2,424,376. At the end of the current fiscal year, unassigned fund balance of the State Projects Capital Projects fund was 0. The net decrease in fund balance during the current year in the State Projects Capital Projects fund was (\$67,198), which is due to progress being made on certain projects.

Budgetary Highlights

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

GASB 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

The total variation in budgeted expenditures from the original and final budgets in the general fund was \$7,600. The increase was mainly due to a budget increase to normal County activities. Actual expenditures in the general fund were lower than final budgeted expenditures by \$2,469,136.

The following table examines the summary budget performance of the major and aggregate non-major funds for the fiscal year ending June 30, 2012. Detail budget performance is reported in the budgetary comparison statements for each major fund and the statements of revenues and expenditures budget and actual for the non-major funds.

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 McKinley County
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Fund Budget Performance

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ (997,722)	\$ (1,005,322)
Indigent Health Care Special Revenue Fund	\$ 342,398	\$ (1,030,707)
Adult Detention Special Revenue Fund	\$ 541,479	\$ 430,979
State Projects Capital Projects Fund	\$ 451,361	\$ 422,849
Other Governmental Funds	\$ (7,149,640)	\$ (8,013,261)

The County amends its budget during the year in response to unexpected changes in its operating environment. The original and final budgets are reported and can be examined in the budgetary comparison statements for each major fund and the statements of revenues and expenditures budget and actual for the non-major funds. The County was very disciplined this year with regards to spending and this was the reason for the favorable variances.

Capital Asset and Debt Administration

Capital Assets

McKinley County's investment in capital assets for its governmental activities as of June 30, 2012, amounts to \$66,846,213 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, equipment, infrastructure, and other improvements. The table below shows the summarized capital assets of McKinley County as of June 30, 2012 and June 30, 2011.

**McKinley County's Capital Assets, Net of Depreciation
 June 30, 2012**

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Property, plan and equipment		
Land	\$ 3,765,416	\$ 3,661,916
Constuction in progress	1,810,814	771,190
Infrastructure	27,766,389	27,766,389
Land improvements	4,080,323	4,080,323
Buildings and improvements	55,901,681	55,365,943
Vehicles and rolling stock	20,115,809	18,975,581
Machinery, equipment, & Other	6,601,453	6,438,872
Total property, plant and equipment	<u>120,041,885</u>	<u>117,060,214</u>
Less: accumulated depreciation	<u>(53,195,672)</u>	<u>(49,605,988)</u>
of accumulated depreciation	<u>\$ 66,846,213</u>	<u>\$ 67,454,226</u>

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The County recognized \$3,858,343 in depreciation expense during the year. Additional information on McKinley County's capital assets can be found in the notes to the financial statements.

The County had several commitments to construction companies at June 30, 2012. Additional information on McKinley County's commitments can be found in Note 13 of the financial statements.

Long-term debt

At June 30, 2012, McKinley County had total gross receipt revenue bonds outstanding of \$25,830,000, which is secured by pledged gross receipts tax revenues. McKinley County also has post-closure debt of \$158,000, which is restricted cash in the EGRT fund.

**McKinley County's Outstanding Debt
 June 30, 2012**

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Gross Receipts Revenue Bonds	\$ 25,830,000	\$ 27,145,000
NMFA Loans	128,000	158,000
Compensated Absences	423,038	445,357
	<hr/>	<hr/>
Total outstanding debt	<u>\$ 26,381,038</u>	<u>\$ 27,748,357</u>

The County reduced bonds payable by their principal payment of \$1,315,000. Additional information on McKinley County's long-term debt can be found in the notes to the financial statements.

Economic Factor and Next Year's Budgets and Rates

- Inflationary trends in the region compare favorably to national indices.

This factor was considered in preparing McKinley County's budget for the 2012 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund increased to \$975,389. It is intended that the use of this available fund balance will avoid the need to raise taxes or charges during the 2012 fiscal year.

Request for Information

This financial report is designed to provide a general overview of McKinley County's finances for all 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 Office of the County Manager, McKinley County, New Mexico.

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

McKinley County
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 22,781,519
Investments	40,276,385
Receivables:	
Property taxes	558,582
Other taxes	1,442,121
Other receivables	1,559,791
	<u>66,618,398</u>
Total current assets	
Noncurrent assets	
Restricted cash and cash equivalents	876,697
Bond issuance costs (net of accumulated amortization of \$304,052)	683,261
Bond underwriter discount (net of accumulated amortization of \$44,765)	102,061
Capital assets	120,041,885
Less: accumulated depreciation	<u>(53,195,672)</u>
Total noncurrent assets	<u>68,508,232</u>
Total assets	<u><u>\$ 135,126,630</u></u>

The accompanying notes are an integral part of these financial statements

	<u>Governmental Activities</u>
Liabilities	
Current liabilities	
Accounts payable	\$ 946,060
Accrued payroll	504,674
Accrued interest	95,694
Current portion of accrued compensated absences	423,038
Current portion of landfill closure and postclosure costs	30,000
Current portion of bonds payable	<u>1,370,000</u>
Total current liabilities	<u>3,369,466</u>
Noncurrent liabilities	
Landfill closure and postclosure costs	98,000
Bond underwriter premium (net of accumulated amortization of \$20,470)	213,351
Bonds payable	<u>24,460,000</u>
Total noncurrent liabilities	<u>24,771,351</u>
Total liabilities	<u>28,140,817</u>
Net assets	
Invested in capital assets, net of related debt	41,016,213
Restricted for:	
Debt service	4,709,659
Capital projects	16,390,781
Other purposes - special revenue	23,789,805
Unrestricted	<u>21,079,355</u>
Total net assets	<u>106,985,813</u>
Total liabilities and net assets	<u>\$ 135,126,630</u>

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STATE OF NEW MEXICO
 McKinley County
 Statement of Activities
 For the Year Ended June 30, 2012

Exhibit A-2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary government					
General government	\$ 7,630,084	\$ 3,076,803	\$ 888,069	\$ -	\$ (3,665,212)
Public safety	14,468,883	-	5,986,247	400,000	(8,082,636)
Public works	6,162,276	-	70,371	-	(6,091,905)
Health and welfare	7,527,931	1,613,565	13,337	-	(5,901,029)
Interest on long-term debt	1,241,513	-	-	-	(1,241,513)
<i>Total governmental activities</i>	<u>\$ 37,030,687</u>	<u>\$ 4,690,368</u>	<u>\$ 6,958,024</u>	<u>\$ 400,000</u>	(24,982,295)

General revenues and special items:

Taxes:	
Property	7,719,562
Gross receipts	17,594,840
Gasoline and motor vehicle	957,743
Other	1,470,727
Payment in lieu of taxes	1,049,488
Investment income	341,942
Miscellaneous income	185,719
Proceeds from sale of capital assets	1,483
Loss on disposal of capital assets	(9,460)
Special item- deletions of CIP	(198,938)
Special item- transfer from agency fund	133,070
Total general revenues and special items	<u>29,246,176</u>
Change in net assets	4,263,881
Net assets - beginning (Note 20)	<u>102,721,932</u>
Net assets - ending	<u>\$ 106,985,813</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

McKinley County
Balance Sheet
Governmental Funds
June 30, 2012

	<u>General Fund</u>	<u>Indigent Health Care Fund</u>	<u>Adult Detention Fund</u>
<i>Assets</i>			
Cash and cash equivalents	\$ 5,500,819	\$ 1,019,056	\$ -
Investments	17,260,559	99,218	-
Receivables:			
Property taxes	553,341	-	-
Other taxes	238,403	199,194	92,771
Other receivables	25,295	298	355,902
Due from other funds	<u>528,987</u>	<u>-</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 24,107,404</u>	<u>\$ 1,317,766</u>	<u>\$ 448,673</u>
<i>Liabilities and fund balances</i>			
<i>Liabilities</i>			
Accounts payable	\$ 141,118	\$ 66,410	\$ 51,083
Accrued payroll	226,631	-	88,446
Deferred revenue	456,342	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>528,987</u>
<i>Total liabilities</i>	<u>824,091</u>	<u>66,410</u>	<u>668,516</u>
<i>Fund balances</i>			
<i>Spendable</i>			
<i>Restricted for:</i>			
General county operations	20,449,695	-	-
Maintenance of roads	-	-	-
Fire departments	-	-	-
Public safety	-	-	-
Healthcare	-	1,251,356	-
Capital projects expenditures	1,000,000	-	-
Debt service expenditures	-	-	-
<i>Committed for:</i>			
Corrections facility	-	-	-
Senior center	-	-	-
Minimum fund balance	858,229	-	-
Unassigned	<u>975,389</u>	<u>-</u>	<u>(219,843)</u>
<i>Total fund balances</i>	<u>23,283,313</u>	<u>1,251,356</u>	<u>(219,843)</u>
<i>Total liabilities and fund balances</i>	<u>\$ 24,107,404</u>	<u>\$ 1,317,766</u>	<u>\$ 448,673</u>

The accompanying notes are an integral part of these financial statements

<u>State Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 307,239	\$ 16,831,102	\$ 23,658,216
2,001,320	20,915,288	40,276,385
-	5,241	558,582
-	911,753	1,442,121
377,542	800,754	1,559,791
-	-	528,987
<u>\$ 2,686,101</u>	<u>\$ 39,464,138</u>	<u>\$ 68,024,082</u>
\$ 261,725	\$ 425,724	\$ 946,060
-	189,597	504,674
-	5,137	461,479
-	-	528,987
<u>261,725</u>	<u>620,458</u>	<u>2,441,200</u>
-	7,774,944	28,224,639
-	2,183,386	2,183,386
-	2,327,513	2,327,513
-	4,755,123	4,755,123
-	3,986,112	5,237,468
2,424,376	14,623,606	18,047,982
-	1,457,240	1,457,240
-	940,649	940,649
-	11,297	11,297
-	783,810	1,642,039
-	-	755,546
<u>2,424,376</u>	<u>38,843,680</u>	<u>65,582,882</u>
<u>\$ 2,686,101</u>	<u>\$ 39,464,138</u>	<u>\$ 68,024,082</u>

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STATE OF NEW MEXICO
 McKinley County
 Governmental Funds
 Reconciliation of the Balance Sheet to the Statement of Net Assets
 June 30, 2012

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

Fund balances - total governmental funds	\$	65,582,882
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		66,846,213
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities		461,479
Other noncurrent assets are not available to pay for current period expenditures and therefore, are deferred in the funds:		
Bond issuance costs		683,261
Other liabilities are not due and payable with current financial resources and, therefore are not reported in the funds		
Accrued interest payable		(95,694)
Bond underwriter premium		(213,351)
Current portion of accrued compensated absences not due and payable at year end		(423,038)
Bond underwriter discount		102,061
Current portion of the landfill closure and postclosure costs		(30,000)
Current portion of bonds payable		(1,370,000)
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable		(24,460,000)
Landfill closure and postclosure costs		(98,000)
		(24,558,000)
Net assets - governmental activities	\$	106,985,813

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 McKinley County
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2012

	<u>General Fund</u>	<u>Indigent Health Care Fund</u>	<u>Adult Detention Fund</u>
<i>Revenues:</i>			
Taxes:			
Property	\$ 7,757,950	\$ -	\$ -
Gross receipts	2,907,654	2,330,611	1,087,175
Gasoline and motor vehicle taxes	352,772	-	-
Other	11,955	-	300,000
Intergovernmental:			
Federal operating grants	-	-	-
State operating grants	11,816	-	-
State capital grants	-	-	-
Payment in lieu of taxes	1,049,488	-	-
Charges for services	184,888	1,500,000	1,736,966
Investment income	340,809	1,041	-
Miscellaneous	136,358	298	10,146
<i>Total revenues</i>	<u>12,753,690</u>	<u>3,831,950</u>	<u>3,134,287</u>
<i>Expenditures:</i>			
Current:			
General government	6,367,024	-	-
Public safety	3,489,347	-	3,663,607
Public works	-	-	-
Health and welfare	237,500	4,350,461	-
Capital outlay	204,876	-	55,094
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>10,298,747</u>	<u>4,350,461</u>	<u>3,718,701</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,454,943</u>	<u>(518,511)</u>	<u>(584,414)</u>
<i>Other financing sources (uses)</i>			
Proceeds from sale of equipment	1,483	-	-
Transfers in	70,490	800,000	240,500
Transfers (out)	(1,183,000)	(24,800)	-
<i>Total other financing sources (uses)</i>	<u>(1,111,027)</u>	<u>775,200</u>	<u>240,500</u>
<i>Net change in fund balance</i>	1,343,916	256,689	(343,914)
<i>Fund balance - beginning of year (Note 20)</i>	<u>21,939,397</u>	<u>994,667</u>	<u>124,071</u>
<i>Fund balance - end of year</i>	<u>\$ 23,283,313</u>	<u>\$ 1,251,356</u>	<u>\$ (219,843)</u>

The accompanying notes are an integral part of these financial statements

<u>State Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ 2,518	\$ 7,760,468
-	11,269,400	17,594,840
-	604,971	957,743
-	1,158,772	1,470,727
-	1,049,671	1,049,671
753,601	5,142,936	5,908,353
-	400,000	400,000
-	-	1,049,488
-	1,268,514	4,690,368
-	92	341,942
1,500	37,417	185,719
<u>755,101</u>	<u>20,934,291</u>	<u>41,409,319</u>
811,002	377,110	7,555,136
-	6,321,827	13,474,781
-	4,473,075	4,473,075
-	1,891,381	6,479,342
11,297	3,187,460	3,458,727
-	1,315,000	1,315,000
-	1,201,543	1,201,543
<u>822,299</u>	<u>18,767,396</u>	<u>37,957,604</u>
<u>(67,198)</u>	<u>2,166,895</u>	<u>3,451,715</u>
-	-	1,483
-	3,281,728	4,392,718
-	(3,051,848)	(4,259,648)
-	229,880	134,553
(67,198)	2,396,775	3,586,268
<u>2,491,574</u>	<u>36,446,905</u>	<u>61,996,614</u>
<u>\$ 2,424,376</u>	<u>\$ 38,843,680</u>	<u>\$ 65,582,882</u>

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STATE OF NEW MEXICO

McKinley County

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2012

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds	\$	3,586,268
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures		3,458,727
Depreciation expense		(3,858,343)
Loss on sale of assets reported on statement of activities		(9,460)
Special item- deletion of CIP reported on statement of activities		(198,938)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:

Change in deferred revenue related to property taxes receivable		(40,906)
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Expenses in the Statement of Activities that do not consume current financial resources are not reported as expenditures in the funds:

Decrease in accrued compensated absences		21,503
Current year landfill postclosure expenses		30,000

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

Decrease in accrued interest payable		4,435
Amortization of bond premium		11,890
Amortization of bond issuance costs		(49,187)
Amortization of bond discount		(7,108)
Principal payments on bonds		<u>1,315,000</u>

Change in net assets of governmental activities	\$	<u><u>4,263,881</u></u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-1

McKinley County

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ 7,116,561	\$ 7,116,561	\$ 8,092,013	\$ 975,452
Gross receipts	2,736,428	2,736,428	2,860,398	123,970
Gasoline and motor vehicle	300,000	300,000	353,653	53,653
Other	12,115	12,115	11,984	(131)
Intergovernmental income:				
Federal operating grants	-	-	-	-
State operating grants	-	-	11,816	11,816
Payment in lieu of taxes	997,530	997,530	1,049,488	51,958
Charges for services	118,485	118,485	175,501	57,016
Investment income	325,000	325,000	340,809	15,809
Miscellaneous	116,000	116,000	119,320	3,320
<i>Total revenues</i>	<u>11,734,619</u>	<u>11,734,619</u>	<u>13,025,842</u>	<u>1,291,223</u>
<i>Expenditures:</i>				
Current:				
General government	7,784,421	7,760,961	6,336,211	1,424,750
Public safety	4,613,078	4,601,705	3,616,956	984,749
Public Works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	223,500	251,819	237,438	14,381
Capital outlay	111,342	125,456	80,200	45,256
<i>Total expenditures</i>	<u>12,732,341</u>	<u>12,739,941</u>	<u>10,270,805</u>	<u>2,469,136</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(997,722)</u>	<u>(1,005,322)</u>	<u>2,755,037</u>	<u>3,760,359</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,462,921	2,270,521	-	(2,270,521)
Proceeds from sale of equipment	5,000	5,000	1,483	(3,517)
Transfers in	412,801	412,801	70,490	(342,311)
Transfers (out)	(883,000)	(1,683,000)	(1,183,000)	500,000
<i>Total other financing sources (uses)</i>	<u>997,722</u>	<u>1,005,322</u>	<u>(1,111,027)</u>	<u>(2,116,349)</u>
<i>Net change in fund balance</i>	-	-	1,644,010	1,644,010
<i>Fund balance - beginning of year</i>	-	-	21,646,355	21,646,355
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,290,365</u>	<u>\$ 23,290,365</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 1,644,010
Adjustments to revenues for property tax and grant revenues				(272,152)
Adjustments to expenditures for insurance, materials, other charges, and payroll expenditures				(27,942)
Net change in fund balance (GAAP)				<u>\$ 1,343,916</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 McKinley County
 Indigent Health Care Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2012

Exhibit C-2

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	2,404,285	2,404,285	2,322,792	(81,493)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	1,500,000	1,500,000	1,500,000	-
Investment income	1,500	1,500	1,041	(459)
Miscellaneous	10,000	10,000	-	(10,000)
<i>Total revenues</i>	<u>3,915,785</u>	<u>3,915,785</u>	<u>3,823,833</u>	<u>(91,952)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public Works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	3,573,387	4,946,492	4,469,028	477,464
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>3,573,387</u>	<u>4,946,492</u>	<u>4,469,028</u>	<u>477,464</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>342,398</u>	<u>(1,030,707)</u>	<u>(645,195)</u>	<u>385,512</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(245,398)	327,707	-	(327,707)
Transfers in	-	800,000	800,000	-
Transfers (out)	(97,000)	(97,000)	(24,800)	72,200
<i>Total other financing sources (uses)</i>	<u>(342,398)</u>	<u>1,030,707</u>	<u>775,200</u>	<u>(255,507)</u>
<i>Net change in fund balance</i>	-	-	130,005	130,005
<i>Fund balance - beginning of year</i>	-	-	988,269	988,269
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,118,274</u>	<u>\$ 1,118,274</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 130,005
Adjustments to revenues for gross receipts taxes				8,117
Adjustments to expenditures for materials and other charges				<u>118,567</u>
Net change in fund balance (GAAP)				<u>\$ 256,689</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-3

McKinley County

Adult Detention Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,025,000	1,025,000	1,083,702	58,702
Gasoline and motor vehicle	-	-	-	-
Other	325,000	325,000	325,000	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	3,046,000	3,046,000	2,229,899	(816,101)
Investment income	-	-	-	-
Miscellaneous	43,000	43,000	12,182	(30,818)
<i>Total revenues</i>	<u>4,439,000</u>	<u>4,439,000</u>	<u>3,650,783</u>	<u>(788,217)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	3,817,521	3,939,521	3,641,119	298,402
Public Works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	80,000	68,500	55,094	13,406
<i>Total expenditures</i>	<u>3,897,521</u>	<u>4,008,021</u>	<u>3,696,213</u>	<u>311,808</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>541,479</u>	<u>430,979</u>	<u>(45,430)</u>	<u>(476,409)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(691,479)	(691,479)	-	691,479
Transfers in	150,000	260,500	240,500	(20,000)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(541,479)</u>	<u>(430,979)</u>	<u>240,500</u>	<u>671,479</u>
<i>Net change in fund balance</i>	-	-	195,070	195,070
<i>Fund balance - beginning of year</i>	-	-	(724,057)	(724,057)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (528,987)</u>	<u>\$ (528,987)</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 195,070
Adjustments to revenues for gross receipts taxes and charges for service				(516,496)
Adjustments to expenditures for repairs and maintenance and supplies				(22,488)
Net change in fund balance (GAAP)				<u>\$ (343,914)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
McKinley County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2012

Exhibit D-1

<i>Assets</i>	
Cash	\$ 1,229,937
Investments	2,935
Taxes receivable	1,610,382
Accounts receivable	<u>3,017</u>
<i>Total assets</i>	<u><u>\$ 2,846,271</u></u>
 <i>Liabilities</i>	
Deposits held in trust	\$ 1,234,997
Due to other taxing entities	1,610,382
Accounts payable	<u>892</u>
<i>Total liabilities</i>	<u><u>\$ 2,846,271</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2012

NOTE 1. Summary of Significant Accounting Policies

McKinley County is a political sub-division of the State of New Mexico established under the provisions of Section 14-14-1 of NMSA, 1978 compilation and regulated by the constitution of the State of New Mexico. The County operates under a Board of County Commissions-manager form of government and provides the following services as authorized by public law: public safety (sheriff, fire, emergency medical, etc.), roads, health and social services, recreation, sanitation, low rent housing assistance, planning and zoning, property assessment, tax collection and general administrative services.

McKinley County is a body politic and corporate under the name and form of government selected by its qualified electors. The County may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico.
6. Protect generally the property of its county and its inhabitants;
7. Preserve peace and order within the county; and
8. Establish rates for services provided by the County utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

This summary of significant accounting policies of McKinley County is presented to assist in the understanding of McKinley County's financial statements. The financial statements and notes are the representation of McKinley County's management who is responsible for their integrity and objectivity. 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 financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their government-wide financial statements, subject to the same limitation. The County has elected not to follow subsequent private-sector guidance. The more significant of the County's accounting policies are described below.

A. Financial Reporting Entity

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2012

NOTE 1. Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the County does not have any component units required to be reported under GASB Statements No. 14 and No. 39.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The County does not have any *business-type activities*.

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

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

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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements of time, reimbursement and contingencies imposed by the provider are met.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2012

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

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

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2012

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Under the requirements of GASB Statement 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, which includes funds that were not required to be presented as major but were at the discretion of management:

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.

The *Indigent Health Care Special Revenue Fund* is used to account for revenues received from state shared gross receipts taxes for hospital service for indigent citizens of the County. The fund was created by authority of state statute (see Section 7-2OE-9, NMSA, 1978 Compilation and McKinley County Ordinance No. 07-88-032.9).

The *Adult Detention Special Revenue Fund* is used to account for the fiscal operation and reporting of the Gallup McKinley Detention Center. The administration is handled by the local Jail Authority Board.

The *State Projects Capital Projects Fund* is to account for funding from state sources used for various projects.

Additionally, the government reports the following agency fund:

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. The agency fund is used to account for collection and disbursement of inmate funds for the McKinley County Detention Center. In addition, the agency fund will track and account for items held for the fire departments located within McKinley County.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2012

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Fund Equity

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, Federal Home Loan investments, and the State Treasurer's Investment Pool.

Investments for the County are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. As of June 30, 2012 the County maintained \$2,935 in the LGIP reserve contingency fund.

Receivables and Payables: Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting funds and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

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

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

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after May 10th are considered delinquent. The taxes attach as an enforceable lien on property as of January 1st.

Restricted Assets: Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. McKinley County was a phase II government for purposes of implementing GASB 34. Therefore, the County was required to report its major general infrastructure assets retroactively to June 30, 1980. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5).

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2012

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Fund Equity (continued)

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

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 are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	40
Land improvements	20
Buildings and improvements	45
Vehicles and rolling stock	5-20
Machinery, equipment & other	5-20

Accrued Expenses: Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2012, along with applicable PERA, FICA, and Medicare payable.

Deferred Revenues: There are two types of deferred revenue. Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for deferred revenue (commonly referred to as unearned revenue). The other type of deferred revenue is “unavailable revenue.” Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. It must also be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred revenue.

Compensated Absences: Qualified employees are entitled to earn annual leave according to a graduated leave schedule of ten days to twenty days per year, depending on length of service. Employees may accumulate up to 240 hours (thirty days) of annual leave and carry that leave forward from calendar year to calendar year. Upon termination, employees will be paid for up to 240 hours (thirty days) of accrued annual leave.

Qualified employees are entitled to earn sick leave at a rate of thirteen days per year. Sick leave can be carried over from year to year for an unlimited amount of hours. Upon termination, retiring employees will be paid for up to 250 hours (sixty five days) of accrued sick leave.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net assets.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2012

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Fund Equity (continued)

Long-term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets. For bonds issued after GASB 34 was implemented, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. For fund financial reporting, bond premiums, discounts as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as other financing source, net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Fund Balance Classification Policies and Procedures: For committed fund balance, the County's highest level of decision-making authority is the County Commission. The formal action that is required to be taken to establish a fund balance commitment is the County Commission.

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

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

Nonspendable Fund Balance: At June 30, 2012, the County did not have any nonspendable fund balance categorized in the governmental funds balance sheet as detailed on pages 22-23.

Restricted and Committed Fund Balance: At June 30, 2012, the County has presented restricted fund balance on the governmental funds balance sheet in the amount of \$62,233,351 for various County operations as restricted by enabling legislation. The County has also presented committed fund balance on the governmental funds balance sheet in the amount of \$2,593,985 in order to provide services throughout the County. The details of these fund balance items are located on the governmental funds balance sheet as detailed on pages 22-23.

Minimum Fund Balance Policy: The County's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the County holds cash reserves of 1/12th the General Fund expenditures and a cash reserve of 3/12th the Road Special Revenue Fund. At June 30, 2012, the County had \$1,642,039 as minimum fund balances.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2012

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Fund Equity (continued)

Net Assets: Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt: Net assets invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets: Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net assets restricted for “special revenue, debt service, and capital projects” are described on pages 37 and 60-63.
- c. Unrestricted Net Assets: All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets of the County are prepared prior to June 1 and must be approved by resolution of the County Commissioners, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the 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 any budget in total at the fund level.

These budgets are prepared on the Non-GAAP cash budgetary basis. Budgetary basis expenditures exclude encumbrances. The budget secures appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been properly amended by County Commissioners in accordance with the above procedures. These amendments resulted in the following changes:

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2012

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information

	Excess (deficiency) of revenues over expenditures	
	Original	Final
	Budget	Budget
Budgeted Funds:		
General Fund	\$ (997,722)	\$ (1,005,322)
Indigent Health Care Special Revenue Fund	\$ 342,398	\$ (1,030,707)
Adult Detention Special Revenue Fund	\$ 541,479	\$ 430,979
State Projects Capital Projects Fund	\$ 451,361	\$ 422,849
Other Governmental Funds	\$ (7,149,640)	\$ (8,013,261)

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

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2012 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2012

NOTE 3. Deposits 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, 2012.

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 collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

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

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

According to the Federal Deposit Insurance Corporation (FDIC), public unit deposits are funds owned by the public unit. Under the Transaction Account Guarantee Program (TAGP) in effect from July 1, 2010 to December 31, 2010, time deposits, savings deposits and interest bearing negotiable order of withdrawal (NOW) accounts of a public unit in an institution in the same state were insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. On November 9, 2010, the FDIC Board of Directors issued a final rule to implement the section of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides temporary unlimited coverage for noninterest-bearing transaction accounts at all FDIC-insured depository institutions. The separate coverage on non-interest bearing transaction accounts became effective on December 31, 2010 and will terminate on December 31, 2012. From December 31, 2010 to July 20, 2012 accounts held by an official custodian for a government unit are insured as follows:

- Up to \$250,000 for the combined total of all time and savings deposits (including NOW accounts), and
- Unlimited coverage for noninterest-bearing transaction (demand deposit) accounts through July 20, 2012, there is no difference in deposit insurance coverage when an official custodian deposits money in-state or out-of-state.

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, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2012, \$43,803,622 of the County's bank balance of \$45,152,840 was exposed to custodial credit risk. Although the \$43,803,622 was uninsured, it was collateralized by collateral held by the pledging bank's trust department, not in the County's name. None of the County's deposits were uninsured and uncollateralized at June 30, 2012.

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2012

NOTE 3. Deposits and Investments (continued)

	<u>US Bank</u>	<u>Pinnacle Bank</u>	<u>Washington Federal Bank</u>	<u>Wells Fargo Bank</u>
Amount of deposits	\$ 2,502,736	\$ 28,016,216	\$ 5,000,984	\$ 9,533,686
FDIC coverage	<u>(250,000)</u>	<u>(500,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>
Total uninsured public funds	<u>2,252,736</u>	<u>27,516,216</u>	<u>4,750,984</u>	<u>9,283,686</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	<u>2,252,736</u>	<u>27,516,216</u>	<u>4,750,984</u>	<u>9,283,686</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Collateral requirement (50%)	\$ 1,126,368	\$ 13,758,108	\$ 2,375,492	\$ 4,641,843
Pledged securities	<u>2,427,704</u>	<u>35,425,851</u>	<u>5,504,279</u>	<u>9,802,583</u>
Over (under) collateralized	<u>\$ 1,301,336</u>	<u>\$ 21,667,743</u>	<u>\$ 3,128,787</u>	<u>\$ 5,160,740</u>
	<u>First Financial Credit Union</u>	<u>Total</u>		
Amount of deposits	\$ 99,218	\$ 45,152,840		
FDIC coverage	<u>(99,218)</u>	<u>(1,349,218)</u>		
Total uninsured public funds	<u>-</u>	<u>43,803,622</u>		
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	<u>-</u>	<u>43,803,622</u>		
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>		
Collateral requirement (50%)	\$ -	\$ 21,901,811		
Pledged securities	<u>-</u>	<u>53,160,417</u>		
Over (under) collateralized	<u>\$ -</u>	<u>\$ 31,258,606</u>		

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2012

NOTE 3. Deposits and Investments (continued)

The collateral pledged is listed on Schedule I of this report. The types of collateral 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.

Investments

Credit Risk

The New MexiGROW Local Government Investment Pool's (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10(I) through 6-10-10(P) and Sections 6-10-10.1(A) and (E), NMSA 1978. The LGIP's investments are monitored by the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1(F), NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

As of June 30, 2012, the County's investment in the State Treasurer Local Government Investment Pool- Reserve Contingency Fund was unrated.

As of June 30, 2012, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>	<u>Rating</u>
LGIP Reserve Contingency Fund	NA	\$ 2,935	unrated
U.S. Treasury MMA Mutual Funds	<360 days	499,697	AAA*
Federal Home Loan	<5 year	16,416,548	AAA*
Federal Farm	<6 year	3,996,460	AAA*
		<u>\$ 20,915,640</u>	

*Rating based on Moody's

The investments are listed on Schedule II of this report. At year end June 30, 2012, there was \$19,863,377 of certificates of deposits, classified as investments at Exhibit B-1. At June 30, 2012, there was \$499,697 of U.S. Treasury MMA Mutual Funds classified as cash and cash equivalents related to the County's agency fund at Exhibit D-1.

Interest Rate Risk – Investments. The County does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Concentration of Credit Risk – Investments. For an investment, concentration credit risk is when any one issuer is 5% or more of the investment portfolio of the County. The investments in the New MexiGROW LGIP, U.S Treasury Money Market Mutual Funds, Federal Home loan, and Federal Farm Association represent 1%, 13%, 79%, and 20% respectively, of the investment portfolio. Since the County only purchases investments with the highest credit rating, the concentration is not viewed to be an additional risk by the County. The County's policy related to concentration of credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

The County utilizes pooled accounts for their funds. The General, Special Revenue, Capital Projects, and Agency Funds are all in multiple accounts.

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2012

NOTE 3. Deposits and Investments (continued)

Reconciliation of Cash and Cash Equivalents

Primary Government

Reconciliation to the Statement of Net Assets

Cash and cash equivalents per Exhibit A-1	\$ 22,781,519
Investments per Exhibit A-1	40,276,385
Restricted cash and cash equivalents per Exhibit A-1	876,697
Cash - Statement of Fiduciary Assets and Liabilities per Exhibit D-1	1,229,937
Investments - Statement of Fiduciary Assets and Liabilities per Exhibit D-1	<u>2,935</u>
Total cash, cash equivalents, and investments	65,167,473
Add: outstanding checks	1,331,792
Less: Investments that are not certificates of deposits	(20,915,640)
Less: deposits in transit	(429,685)
Less: petty cash	<u>(1,100)</u>
Bank balance of deposits	<u><u>\$ 45,152,840</u></u>

NOTE 4. Receivables

Receivables as of June 30, 2012, are as follows:

	General Fund	Indigent Health Care Fund	Adult Detention Fund	State Projects Fund	Other Governmental Funds	Total
Property taxes	\$ 553,341	\$ -	\$ -	\$ -	\$ 5,241	\$ 558,582
Other taxes:						
Gross receipts taxes	204,925	199,194	92,771	-	863,762	1,360,652
Gasoline and oil taxes	33,478	-	-	-	47,991	81,469
Other receivables:						
Charges for services	16,786	298	355,902	-	222,751	595,737
Intergovernmental:						
State	8,509	-	-	377,542	574,864	960,915
Federal	-	-	-	-	3,139	3,139
Totals	<u><u>\$ 817,039</u></u>	<u><u>\$ 199,492</u></u>	<u><u>\$ 448,673</u></u>	<u><u>\$ 377,542</u></u>	<u><u>\$ 1,717,748</u></u>	<u><u>\$ 3,560,494</u></u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$461,479 that were not collected within the period of availability have been reclassified as deferred revenue in the governmental fund financial statements.

All of the above receivables are deemed to be fully collectible.

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2012

NOTE 5. Interfund Receivables, Payables, and Transfers

Net operating transfers, made to close out funds and to supplement other funding sources in the normal course of operations, were as follows:

Transfers Out	Transfers In	Amount
Primary Government		
Emergency Communication & Medical	EMS	\$ 534,600
Emergency Communication & Medical	E911 Metro Dispatch	1,980,000
Rural Public Safety	Sheriff's Grants	80,000
Rural Public Safety	Narcotic Drug Control & K-9 Drug Unit	55,000
Rural Public Safety	Emergency Management	16,058
Agency Funds	General Revenue/Gross Receipts Tax Bonds/ Notes	133,070
General Fund	Correction Fees	450,000
General Fund	Farm & Range	7,000
General Fund	Highway Beautification Grant	6,000
General Fund	Senior Citizens Centers	20,000
Infrastructure Gross Receipts	Adult Detention Fund	160,500
Rural Public Safety	Adult Detention Fund	80,000
Rural Public Safety	Indigent Health Care Fund	100,000
General Fund	Indigent Health Care Fund	700,000
Recreation	General Fund	5,489
Community Health Improvement	General Fund	201
General Obligation Bonds	General Fund	40,000
Indigent Health Care Fund	General Fund	24,800
	Total	\$ 4,392,718

Exhibit B-2 noted \$4,392,718 of transfers in, and \$4,259,648 of transfers out, leaving a difference of \$133,070, which is due to the County transferring \$133,070 to an agency fund during the fiscal year 2012.

Interfund receivables as of June 30, 2012 consisted of the following:

Due From	Due To	Amount
General Fund	Adult Detention	\$ 528,987

All funds that maintain interfund balances will be expected to be paid back within one year.

STATE OF NEW MEXICO
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 Notes to the Financial Statements
 June 30, 2012

NOTE 6. Capital Assets

The following is a summary of capital assets and changes occurring during the year ended June 30, 2012. Land and construction in progress are not subject to depreciation.

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Capital assets not being depreciated:				
Land	\$ 3,661,916	\$ 103,500	\$ -	\$ 3,765,416
Construction in progress	771,190	1,541,488	501,864	1,810,814
	<u>4,433,106</u>	<u>1,644,988</u>	<u>501,864</u>	<u>5,576,230</u>
Total capital assets not being depreciated				
	<u>4,433,106</u>	<u>1,644,988</u>	<u>501,864</u>	<u>5,576,230</u>
Capital assets being depreciated:				
Infrastructure	27,766,389	-	-	27,766,389
Land Improvements	4,080,323	-	-	4,080,323
Building and improvements	55,365,943	535,738	-	55,901,681
Vehicles and rolling stock	18,975,581	1,354,860	214,632	20,115,809
Machinery, equipment & other	6,438,872	226,067	63,486	6,601,453
	<u>112,627,108</u>	<u>2,116,665</u>	<u>278,118</u>	<u>114,465,655</u>
Total capital assets being depreciated				
	<u>112,627,108</u>	<u>2,116,665</u>	<u>278,118</u>	<u>114,465,655</u>
Less accumulated depreciation:				
Infrastructure	17,054,031	871,454	-	17,925,485
Land improvements	2,507,877	258,122	-	2,765,999
Building and improvements	12,961,003	1,274,389	-	14,235,392
Vehicles and rolling stock	12,850,190	986,161	203,901	13,632,450
Machinery, equipment & other	4,232,886	468,217	64,757	4,636,346
	<u>49,605,988</u>	<u>3,858,343</u>	<u>268,658</u>	<u>53,195,672</u>
Total accumulated depreciation				
	<u>49,605,988</u>	<u>3,858,343</u>	<u>268,658</u>	<u>53,195,672</u>
Total capital assets, net of depreciation				
	<u>\$ 67,454,226</u>	<u>\$ (96,689)</u>	<u>\$ 511,324</u>	<u>\$ 66,846,213</u>

The County deleted \$198,938 of CIP in current year from their roll forward due to the material being scrapped.

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2012

NOTE 6. Capital Assets (continued)

Depreciation expense for the year ended June 30, 2012 was charged to the functions of the governmental activities as follows:

General Government	\$ 1,010,415
Public Safety	1,694,340
Public Works	1,047,049
Health and Welfare	106,539
	<u>\$ 3,858,343</u>

NOTE 7. Long-term Debt

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

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Due Within</u> <u>One Year</u>
Gross Receipts Revenue Bonds	\$ 27,145,000	\$ -	\$ 1,315,000	\$ 25,830,000	\$ 1,370,000
Landfill Closure/Post Closure Costs	158,000	-	30,000	128,000	30,000
Compensated Absences	<u>445,357</u>	<u>550,661</u>	<u>572,980</u>	<u>423,038</u>	<u>423,038</u>
Total long-term debt	<u>\$ 27,748,357</u>	<u>\$ 550,661</u>	<u>\$ 1,917,980</u>	<u>\$ 26,381,038</u>	<u>\$ 1,823,038</u>

Gross Receipts Revenue Bonds

Bonds outstanding at June 30, 2012 consisted of the following bonds:

Series 2003B, Refunding of 1996 GRT Bonds

Original issue	\$ 1,330,000
Interest due	December 1 and June 1
Principal due	June 1
Maturity Date	June 1, 2016
Interest rates	1.200-4.000%

Series 2003C, GRT Imp/Ref Rev Bonds

Original issue	\$ 15,585,000
Interest due	December 1 and June 1
Principal due	June 1
Maturity Date	June 1, 2023
Interest rates	2.500-5.000%

Series 2008, GRT Improvement Revenue Bonds

Original issue	\$ 10,350,000
Interest due	December 1 and June 1
Principal due	June 1
Maturity Date	June 1, 2037
Interest rates	3.500-5.000%

STATE OF NEW MEXICO
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 Notes to the Financial Statements
 June 30, 2012

NOTE 7. Long-term Debt (continued)

Gross Receipts Revenue Bonds (continued)

Bonds outstanding at June 30, 2012 consisted of the following bonds (continued):

Series 2010, GRT Improvement Revenue Bonds	
Original issue	\$ 6,445,000
Interest due	December 1 and June 1
Principal due	June 1
Maturity Date	June 1, 2030
Interest rates	2.000-4.000%

The annual requirements to amortize the Bonds Payable as of June 30, 2012, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2013	\$ 1,370,000	\$ 1,148,323	\$ 2,518,323
2014	1,420,000	1,093,723	2,513,723
2015	1,475,000	1,034,525	2,509,525
2016	1,540,000	976,138	2,516,138
2017	1,465,000	913,088	2,378,088
2018-2022	8,355,000	3,550,644	11,905,644
2023-2027	5,310,000	1,795,538	7,105,538
2028-2032	4,230,000	718,038	4,948,038
2033-2037	665,000	33,250	698,250
	<u>\$ 25,830,000</u>	<u>\$ 11,263,266</u>	<u>\$ 37,093,266</u>

Operating Leases

The County leases equipment under cancelable operating leases. Total costs for such leases were approximately \$37,438 for the year ended June 30, 2012. The future minimum lease payments for these leases for 2013-2016 are \$37,438, \$37,438, and \$3,120 respectively.

Landfill Closure and Post-Closure Care Costs

State and Federal laws and regulations require that McKinley County place final covers on its landfills when it is closed and perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. McKinley County had landfill sites at Smith Lake and Gamerco, which were closed by June 30, 1997.

The estimated total cost of the landfill closure and post closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of June 30, 2004. An updated estimate (the third estimate) was performed in 2009. Current year deletions were based off of estimated costs from the Solid Waste Fund. The balance at June 30, 2012 is \$128,000.

Compensated Absences – Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2012, compensated absences decreased \$22,319 over the prior year accrual. In prior years, the general fund was typically used to liquidate such long-term liabilities.

STATE OF NEW MEXICO
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Notes to the Financial Statements
June 30, 2012

NOTE 8. Risk Management

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

McKinley County is a member and is insured through the New Mexico County Insurance Authority. The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The Authority acts as the common carrier for the State of New Mexico counties. The County pays an annual premium to the Authority based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. The County is not liable for more than the premiums paid.

NOTE 9. Other Required Individual Fund Disclosures

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

- A. The following funds had deficit fund balance of individual funds as of June 30, 2012:

Adult Detention Fund	\$219,843
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- B. Excess of expenditures over appropriations. No funds maintained expenditures in excess of the budget for the year ended June 30, 2012.

- C. Designated cash appropriations in excess of available balances. No funds had designated cash appropriations in excess of available budget at June 30, 2012

NOTE 10. Pension Plan - Public Employees Retirement Association

Plan Description: Substantially all of McKinley County'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 the following percentages of their gross salary: 16.3% for law enforcement; and 3.29% for county employees. The County was required to contribute the following percentages of the gross covered salary: 18.5% for law enforcement and fire protection plan members; and 19.01% for county plan members. The contribution requirements of plan members and McKinley County are established in State Statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the fiscal years ended June 30, 2012, 2011, and 2010 were \$1,704,791, \$1,416,600, and \$1,777,404, respectively, which equal the amount of the required contributions for each fiscal year.

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2012

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan

Plan Description. McKinley County 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, NM 87107.

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

The 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. During the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 1.834% of each participating employee’s annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal years ending June 30, 2013 the contribution rates for employees and employers will rise as follows:

(1)

For employees who are not members of an enhanced retirement plan the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY13	2.000%	1.000%

(2)

For employees who are members of an enhanced retirement (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4, and 5; municipal fire member coverage plan 3, 4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]), during the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 2.292% of each participating employee’s annual salary, and each participating employee was required to contribute 1.146% of their salary. In the fiscal year ending June 30, 2013 the contribution rates for both employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY13	2.500%	1.250%

Also, employers joining the program after January 1, 1998 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2012

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan (continued)

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

McKinley County's contributions to the RHCA for the years ended June 30, 2012, 2011, and 2010 were \$175,612, \$156,652, and \$117,026, respectively, which equal the required contributions for each year.

NOTE 12. Contingent Liabilities

The County is party to various claims and lawsuits arising in the normal course of business. The County is insured through the New Mexico County Insurance Authority. The maximum exposure of the County is not estimable as of June 30, 2012 in the remaining cases.

Contingent Debt Obligation

McKinley County entered into a joint powers agreement with the Cities of Gallup and Grants, the Village of Milan and the County of Cibola, to form the Northwest New Mexico Regional Solid Waste Disposal Authority on November 1, 1996.

Ordinance Nov-02-091 was approved on December 12, 2002 by the County Commissioners to authorize the execution and delivery of loan agreement by and between the County, as well as other member entities, and the New Mexico Finance Authority. The loan agreement called for the issuance of debt to consolidate and refund (or pay-off) prior loans. The amount of the obligation authorized by the Ordinance Nov-02-091 was \$5,600,000.

This debt obligation is payable solely from the net revenues of the Northwest New Mexico Regional Solid Waste Disposal Authority, and if needed, Environmental Gross Receipts Tax (EGRT) Revenues from the aforementioned Cities, Counties, and Village including McKinley County. Effective July 30, 2005, an agreement was entered into by the member entities to change the percentage of contribution of monthly EGRT collected from 25% to 50% for operation expenses and equipment replacement.

NOTE 13. Commitments

The County has various construction and purchase commitments totaling approximately \$7,604,543 as of June 30, 2012. The funding to cover the various commitments was bond and/or note proceeds, including bonds, grants, and cash reserves.

NOTE 14. Related Party

The County has entered into related party transactions with one of its Commissioners. The Commissioner owns a plumbing company that provides plumbing services, which include labor, equipment, and materials. The company repairs County owned or occupied buildings as needed. The total expense amount for fiscal year 2012 is \$667,046 for prior year invoices and non contract or emergency work for current year.

NOTE 15. Restricted Net Assets

The government-wide statement of net assets reports \$44,890,245 of restricted assets, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, debt service and capital project funds, see pages 37, and 60-63.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2012

NOTE 16. Joint Powers Agreements and Memos of Understanding

JPA Participants – BIA

Responsible party – Each participant
Description – Juvenile Detention Services
Contract period- Fiscal year 2012
Estimated amount of project – \$73,232
Cost to the County: Unknown
Audit responsibility – Each participant
Fiscal agent – McKinley County

JPA Participants – City of Gallup

Responsible party – Each participant
Description – Distribution of Liquor Excise Taxes
Contract period- Fiscal year 2012- 2014
Estimated amount of project – Unknown
Cost to the County: Unknown
Audit responsibility – Each participant
Fiscal agent – McKinley County

JPA Participants – City of Gallup

Responsible party – Each participant
Description – Payment for Construction of
Navajo-Gallup Water Supply Project (NGWSP)
Contract period- Fiscal year 2012- infinity
Estimated amount of project – Unknown
Cost to the County: Unknown
Audit responsibility – Each participant
Fiscal agent – City of Gallup

MOU Participants – Red Rock Ranchers LLP

Responsible party – Each participant
Description – Provide water for County Projects
Contract period- Unknown
Estimated amount of project – Unknown
Cost to the County: Unknown
Audit responsibility – Each participant
Fiscal agent – McKinley County

MOU Participants – Big Brothers and Big Sisters

Responsible party – Each participant
Description – Sub-grantee to BBBS in Tohatchi
Contract period- Fiscal year 2012- infinity
Estimated amount of project – \$22,000
Cost to the County: \$22,000
Audit responsibility – Each participant
Fiscal agent – McKinley County

MOU Participants – Middle Rio Grande Valley Task Force

Responsible party – Each participant
Description – Create a multiagency task force
Contract period- Unknown
Estimated amount of project – Unknown
Cost to the County: Unknown
Audit responsibility – Each participant
Fiscal agent – McKinley County

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2012

NOTE 17. Subsequent Events

In 2012 McKinley County received a Title III grant from the United States Forest Service in the amount of \$27,065.22 under the Secure Rural Schools and Community Self-Determination Act, and a \$10,000 Wildfire Risk Reduction Program for Rural Communities grant from New Mexico Association of Counties in support of the completion of an update to the “McKinley County Community Wildfire Protection Plan” and other prevention activities to educate County residents. The County was required to commit these County funds to Title III projects for the 2013 fiscal year in order to ensure that the required amount of 2012 fiscal year funding was spent on Title III allowable projects.

Also, in November, 2012, the County will perform a bond defeasance on the 2003C Bonds in the approximate amount of \$11,000,000 to honor the commitment with the City of Gallup to construct the Navajo-Gallup Water Pipeline.

The date to which events occurring after June 30, 2012, the date of the most recent statement of net assets, have been evaluated for possible adjustment to the financial statements or disclosures is November 9, 2012 which is the date on which the financial statements were issued.

NOTE 18. Subsequent Pronouncements

In December 2010, GASB Statement No. 62 *Codification of Accounting and Financial Reporting* Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements Effective Date: The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The County will implement this standard during fiscal year June 30, 2013.

In March 2012, Statement No. 65 *Items Previously Reported as Assets and Liabilities*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The standard will be implemented for year ending June 30, 2013.

NOTE 19. Federal and State Grants

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

NOTE 20. Fund Balances and Net Assets Adjustment

The County adjusted beginning fund balances for the Telecommunication fund and Net Assets due to incorrectly including the Telecommunication fund as a special revenue fund in prior years. The fund should be and is reported in current year as an agency fund. This adjustment was for a total of \$119,680. The result of this adjustment reduced beginning Net Assets from \$102,841,612 to \$102,721,932 as reported at Exhibit A-2, and has reduced beginning total fund balance from \$62,116,294 to \$61,996,614 as noted at Exhibit B-2.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
McKinley County
Nonmajor Governmental Funds
June 30, 2012

Special Revenue Funds

Correction Fees – To account for correction fees authorized by Section 34-14-11, NMSA, 1978. Such revenues are used to supplement general funds for the care of prisoners.

Environmental Gross Receipts Taxes – To account for a gross receipts tax imposed to fund environmental activities, mainly sanitary landfill closure and disposal of solid waste. Authority is local ordinance authorized by NMSA 1978 7-20E-17.

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

Road Fund- This fund is used to account for the distribution of gasoline taxes and motor vehicle 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.

Hazardous Material Support Services – To account for funds transferred from the Fire Excise fund utilized for special equipment, uniforms and protective clothing required for hazardous materials handling and disposal. The fund was set up administratively.

EMS – To account for grants from the State of New Mexico Health and Environmental Department to be utilized for capital outlay for fire personnel as paramedics. Funding is authorized by Section 24-10a-6, NMSA, 1978 Compilation.

E911 Metro Dispatch – To account for funds received from the State Funds for E-911 enhancement received from DFA and GRT. The funds are utilized for operational costs and capital outlay. The fund was set up administratively.

Farm & Range – To account for soil conservation and predator control activities within the County. Funding is provided by the Taylor Grazing Act. Expenditures may be made only for the purposes specified in the grant. Funding authorized by Section 6-11-6, NMSA, 1978 Compilation.

Fire Protection District – To account for revenues and expenditures of fire protection funds for the communities of Broadview, Pleasant Hill, and Field. Funding is provided by allotments from the New Mexico State Fire Marshall's Office. The Funds were created under the authority of state statute (see Section 59A-93-5-8 and 5-A-53-5, NMSA, 1978 Compilation).

Highway Beautification Grant - To account for revenues and expenditures for the New Mexico Clean and Beautiful Project. The fund was created by authority of state statute (see Section 67-15-1 through 67-16-4 of NMSA).

Law Enforcement Protection – 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.

Liquor Excise Tax – A locally assessed 5 % tax on retail liquor sales within McKinley County, which was adopted through Ordinance 09-92-048, for the purpose of funding alcohol treatment programs. Local ordinance authorized by Section 7-24-10, NMSA, 1978 Compilation.

Emergency Communication & Medical - To account for gross receipts tax set aside for emergency communications 911 Metro Dispatch and emergency medical services (County Ordinance SEPT-02-089).

Recreation – To account for recreational Funds. Financing is provided is provided cigarette taxes and user charges. The fund was created by authority state statute (see Section 7-12-15, NMSA, 1978 Compilation).

Community Health Improvement - To account for State and/or local funds which are used to implement the County's Maternal and Child Health Plan as authorized by state statute (see Section 24-1 B, NMSA, 1978 Compilation).

Senior Citizens Center - To account for the operations of the County's portion of two Senior Citizen Centers. The sales of ceramics, fees, and dues as well as Federal and State funding relating to the Senior Citizen program are accounted for in this fund. The operations are funded by McKinley County general funds. The fund was set up administratively.

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Nonmajor Governmental Funds
June 30, 2012

Fire Excise Tax – To account for funds received pursuant to the County’s fire protection excise tax ordinance 07-93-053 as authorized by Sections 7-20E-15, NMSA, 1978. Funds are used to supplement the County’s fire districts and cannot be used to pay salaries, compensation or remuneration to any employee of the State, County or independent fire district.

Local DWI Program - To account for various Federal, State and Local funds received by the County to implement the County’s DWI plans as authorized pursuant to state statute (see Section 43-3-15, NMSA, 1978 Compilation).

Clerk Recording & Filing – To account for revenues and expenditures for control of equipment. The fees collected are restricted in that they may only be used for the purchase of equipment associated with the recordings, filing, maintaining, or reproducing of documents in the Office of the County Clerk. This fund was created by the authority of state statute (see Section 14-8-2.2, NMSA, 1978 Compilation).

Magistrate Court - To account for funds received pursuant to a joint powers agreement with the State Administrative Office of Courts for Maintenance and Operation of the Magistrate Court Building.

Sheriff’s Grants – Various law enforcement oriented grants utilized by the Sheriff’s Department to fund personnel and equipment. Fund was created administratively.

Narcotic Drug Control & K-9 Drug Unit - To account for various law enforcement agencies from forfeitures of seized drugs to supplement other funding for uses involving drug interdiction and K-9 unit. Fund was created administratively.

Federal Office of Justice – Law Enforcement Grant- To account for federal grants awarded from the Office of Justice Program and the Federal Vest Program and others if awarded.

Law Enforcement Seizures – To account for monetary seizures made by the McKinley County Sherriff’s Department while cases are pending litigation and disposition.

Emergency Management- A special revenue fund used to account for monies kept as reserves for emergency management.

JSAAC Center – To account for the expenditures related to the Juvenile Alcohol/Substance Abuse facility.

CDBG Planning – To account for the CDBG and local funds to do major repairs and improvements for the Thoreau Water Project.

Rural Public Safety – To account for gross receipts taxes (1/16%) collected for the public safety expenditures for the citizens of McKinley County. Authorized by Ordinance No. AUG-98-075.

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STATE OF NEW MEXICO
McKinley County
Nonmajor Governmental Funds
June 30, 2012

Capital Projects Fund

Capital Projects – To account for the expenditures related to the construction of capital projects.

Federal Grants– To account for the expenditures related to the construction of capital projects funded partly or fully by federal grants.

CDBG/Thoreau Wastewater – To account for the CDBG funds related to the Thoreau Wastewater operations.

Infrastructure Gross Receipts– To account for monies received through infrastructure gross receipts tax for the purpose of monitoring County infrastructure and road equipment, July 2009.

Courthouse Annex– To account for the resources used for the remodel and construction of an annex to the courthouse of the County. Monies are provided by the County government and bonds.

Judicial Complex Construction– To account for construction of the Judicial Complex Construction.

Debt Service Funds

General Obligation Bonds– To account for the accumulation of resources, and the payment of, general long-term debt principle, interest and related costs of gross receipts tax bonds. The primary source of revenue is property taxes.

General Revenue/Gross Receipts Tax Bonds/Notes– To account for gross receipts tax for intercept payment to the New Mexico Finance Authority to retire outstanding notes.

Courthouse Project– To account for monies designated for the retirement of debt associated with the construction and renovation of the County Courthouse.

Law Enforcement JDC Bond– To account for funding from sources used for the Law Enforcement JDC Building.

Judicial Complex– To account for monies designated for the retirement of debt associated with the construction of the Judicial Complex.

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2012

Special Revenue

	Correction Fees	Environmental Gross Receipts Taxes	Property Valuation	Road Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 808,458	\$ 168,605	\$ 350,316	\$ 342,455
Investments	-	2,406,168	-	2,497,000
Receivables:				
Property taxes	-	-	-	-
Other taxes	39,759	-	-	105,918
Other receivables	121,905	27,307	-	116,864
<i>Total assets</i>	<u>\$ 970,122</u>	<u>\$ 2,602,080</u>	<u>\$ 350,316</u>	<u>\$ 3,062,237</u>
<i>Liabilities</i>				
Accounts payable	\$ 6,580	\$ 17,157	\$ 2,996	\$ 47,871
Accrued payroll	22,893	-	4,352	47,170
Accrued compensated absences	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>29,473</u>	<u>17,157</u>	<u>7,348</u>	<u>95,041</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	2,584,923	342,968	-
Maintenance of roads	-	-	-	2,183,386
Fire departments	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	-	-
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
Committed for:				
Corrections facility	940,649	-	-	-
Senior center	-	-	-	-
Minimum fund balance	-	-	-	783,810
<i>Total fund balances</i>	<u>940,649</u>	<u>2,584,923</u>	<u>342,968</u>	<u>2,967,196</u>
<i>Total liabilities and fund balances</i>	<u>\$ 970,122</u>	<u>\$ 2,602,080</u>	<u>\$ 350,316</u>	<u>\$ 3,062,237</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Hazardous Material Support Services	EMS	E911 Metro Dispatch	Farm & Range	Fire Protection District
\$ 69,466	\$ 302,549	\$ 748,101	\$ 9,854	\$ 876,697
-	-	-	-	1,502,736
-	-	-	-	-
-	-	-	-	-
-	33,265	16,698	-	-
<u>\$ 69,466</u>	<u>\$ 335,814</u>	<u>\$ 764,799</u>	<u>\$ 9,854</u>	<u>\$ 2,379,433</u>
\$ 1,076	\$ 28,475	\$ 7,481	\$ -	\$ 51,920
-	13,652	47,779	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,076</u>	<u>42,127</u>	<u>55,260</u>	<u>-</u>	<u>51,920</u>
68,390	-	-	9,854	-
-	-	-	-	-
-	-	-	-	2,327,513
-	-	709,539	-	-
-	293,687	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>68,390</u>	<u>293,687</u>	<u>709,539</u>	<u>9,854</u>	<u>2,327,513</u>
<u>\$ 69,466</u>	<u>\$ 335,814</u>	<u>\$ 764,799</u>	<u>\$ 9,854</u>	<u>\$ 2,379,433</u>

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2012

Special Revenue

	Highway Beautification Grant	Law Enforcement Protection	Liquor Excise Tax	Emergency Communication & Medical
<i>Assets</i>				
Cash and cash equivalents	\$ 17,309	\$ 2,160	\$ 968,642	\$ 458,407
Investments	-	-	-	2,000,000
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	265,376
Other receivables	-	-	-	-
<i>Total assets</i>	<u>\$ 17,309</u>	<u>\$ 2,160</u>	<u>\$ 968,642</u>	<u>\$ 2,723,783</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 1,263	\$ -	\$ -
Accrued payroll	361	-	-	-
Accrued compensated absences	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>361</u>	<u>1,263</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	16,948	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Public safety	-	897	-	-
Healthcare	-	-	968,642	2,723,783
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
Committed for:				
Corrections facility	-	-	-	-
Senior center	-	-	-	-
Minimum fund balance	-	-	-	-
<i>Total fund balances</i>	<u>16,948</u>	<u>897</u>	<u>968,642</u>	<u>2,723,783</u>
<i>Total liabilities and fund balances</i>	<u>\$ 17,309</u>	<u>\$ 2,160</u>	<u>\$ 968,642</u>	<u>\$ 2,723,783</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Recreation</u>	<u>Community Health Improvement</u>	<u>Senior Citizens Centers</u>	<u>Fire Excise Tax</u>	<u>Local DWI Program</u>
\$ -	\$ -	\$ 13,764	\$ 591,645	\$ 340,072
-	-	-	3,503,540	-
-	-	-	-	-
-	-	-	111,021	-
-	-	-	-	36,270
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,764</u>	<u>\$ 4,206,206</u>	<u>\$ 376,342</u>
\$ -	\$ -	\$ 2,467	\$ 87,334	\$ 4,805
-	-	-	-	19,028
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	2,467	87,334	23,833
-	-	-	4,118,872	352,509
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	11,297	-	-
-	-	-	-	-
-	-	11,297	4,118,872	352,509
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,764</u>	<u>\$ 4,206,206</u>	<u>\$ 376,342</u>

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2012

Special Revenue

	Clerk Recording & Filing	Magistrate Court	Sheriff's Grants	Narcotic Drug Control & K-9 Drug Unit
<i>Assets</i>				
Cash and cash equivalents	\$ 110,442	\$ 287,955	\$ 281,159	\$ 91,215
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Other receivables	-	-	401,708	-
<i>Total assets</i>	<u>\$ 110,442</u>	<u>\$ 287,955</u>	<u>\$ 682,867</u>	<u>\$ 91,215</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 1,944	\$ 36,319	\$ -
Accrued payroll	-	1,390	11,501	-
Accrued compensated absences	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>3,334</u>	<u>47,820</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	110,442	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Public safety	-	284,621	635,047	91,215
Healthcare	-	-	-	-
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
Committed for:				
Corrections facility	-	-	-	-
Senior center	-	-	-	-
Minimum fund balance	-	-	-	-
<i>Total fund balances</i>	<u>110,442</u>	<u>284,621</u>	<u>635,047</u>	<u>91,215</u>
<i>Total liabilities and fund balances</i>	<u>\$ 110,442</u>	<u>\$ 287,955</u>	<u>\$ 682,867</u>	<u>\$ 91,215</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Federal Office of Justice - Law Enforcement Grant	Law Enforcement Seizures	Emergency Management	JSAAC Center	CDBG Planning
\$ 137,406	\$ 9,445	\$ 253,595	\$ 112,873	\$ 50,342
-	-	-	-	-
-	-	-	-	-
-	-	23,871	22,866	-
<u>\$ 137,406</u>	<u>\$ 9,445</u>	<u>\$ 277,466</u>	<u>\$ 135,739</u>	<u>\$ 50,342</u>
\$ -	\$ -	\$ 3,991	\$ 2,781	\$ -
-	-	8,209	13,262	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>12,200</u>	<u>16,043</u>	<u>-</u>
-	-	-	119,696	50,342
-	-	-	-	-
-	-	-	-	-
137,406	9,445	265,266	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>137,406</u>	<u>9,445</u>	<u>265,266</u>	<u>119,696</u>	<u>50,342</u>
<u>\$ 137,406</u>	<u>\$ 9,445</u>	<u>\$ 277,466</u>	<u>\$ 135,739</u>	<u>\$ 50,342</u>

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>		
	<u>Rural Public Safety</u>	<u>Capital Projects</u>	<u>Federal Grants</u>	<u>CDBG/Thoreau Wastewater</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 1,055,261	\$ 900,265	\$ 225,034	\$ 478,388
Investments	1,500,000	5,505,214	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	66,426	107,010	-	-
Other receivables	-	-	-	-
<i>Total assets</i>	<u>\$ 2,621,687</u>	<u>\$ 6,512,489</u>	<u>\$ 225,034</u>	<u>\$ 478,388</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 1,137	\$ -	\$ -
Accrued payroll	-	-	-	-
Accrued compensated absences	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>1,137</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Public safety	2,621,687	-	-	-
Healthcare	-	-	-	-
Capital projects expenditures	-	6,511,352	225,034	478,388
Debt service expenditures	-	-	-	-
Committed for:				
Corrections facility	-	-	-	-
Senior center	-	-	-	-
Minimum fund balance	-	-	-	-
<i>Total fund balances</i>	<u>2,621,687</u>	<u>6,511,352</u>	<u>225,034</u>	<u>478,388</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,621,687</u>	<u>\$ 6,512,489</u>	<u>\$ 225,034</u>	<u>\$ 478,388</u>

The accompanying notes are an integral part of these financial statements

Capital Projects			Debt Service	
Infrastructure Gross Receipts	Courthouse Annex	Judicial Complex Construction	General Obligation Bonds	General Revenue/Gross Receipts Tax Bonds/ Notes
\$ 300,967	\$ 87,044	\$ 5,098,685	\$ 4,301	\$ 134,647
1,500,630	-	500,000	-	-
-	-	-	5,241	-
41,633	-	-	-	-
-	-	-	-	-
<u>\$ 1,843,230</u>	<u>\$ 87,044</u>	<u>\$ 5,598,685</u>	<u>\$ 9,542</u>	<u>\$ 134,647</u>
\$ -	\$ -	\$ 120,127	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	5,137	-
-	-	-	-	-
-	-	120,127	5,137	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,843,230	87,044	5,478,558	-	-
-	-	-	4,405	134,647
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,843,230</u>	<u>87,044</u>	<u>5,478,558</u>	<u>4,405</u>	<u>134,647</u>
<u>\$ 1,843,230</u>	<u>\$ 87,044</u>	<u>\$ 5,598,685</u>	<u>\$ 9,542</u>	<u>\$ 134,647</u>

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STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2012

Statement A-1
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	Debt Service			Total Nonmajor Governmental Funds
	Courthouse Project	Law Enforcement JDC Bonds	Judicial Complex	
<i>Assets</i>				
Cash and cash equivalents	\$ 700,638	\$ 326,262	\$ 116,678	\$ 16,831,102
Investments	-	-	-	20,915,288
Receivables:				
Property taxes	-	-	-	5,241
Other taxes	100,060	58,350	16,200	911,753
Other receivables	-	-	-	800,754
	<u>\$ 800,698</u>	<u>\$ 384,612</u>	<u>\$ 132,878</u>	<u>\$ 39,464,138</u>
<i>Total assets</i>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 425,724
Accrued payroll	-	-	-	189,597
Accrued compensated absences	-	-	-	-
Deferred revenue	-	-	-	5,137
Due to other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>620,458</u>
<i>Total liabilities</i>				
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	7,774,944
Maintenance of roads	-	-	-	2,183,386
Fire departments	-	-	-	2,327,513
Public safety	-	-	-	4,755,123
Healthcare	-	-	-	3,986,112
Capital projects expenditures	-	-	-	14,623,606
Debt service expenditures	800,698	384,612	132,878	1,457,240
Committed for:				
Corrections facility	-	-	-	940,649
Senior center	-	-	-	11,297
Minimum fund balance	-	-	-	783,810
	<u>800,698</u>	<u>384,612</u>	<u>132,878</u>	<u>38,843,680</u>
<i>Total fund balances</i>				
<i>Total liabilities and fund balances</i>				
	<u>\$ 800,698</u>	<u>\$ 384,612</u>	<u>\$ 132,878</u>	<u>\$ 39,464,138</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2012

	Special Revenue			
	Correction Fees	Environmental Gross Receipts Taxes	Property Valuation	Road Fund
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	465,933	668,908	-	684,711
Gasoline and motor vehicle taxes	-	-	-	604,971
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	191,061
State operating grants	-	-	-	1,645,149
State capital grants	-	-	-	-
Charges for services	495,062	-	218,762	-
Investment income	-	-	-	-
Miscellaneous	-	14,164	-	141
<i>Total revenues</i>	960,995	683,072	218,762	3,126,033
<i>Expenditures:</i>				
Current:				
General government	-	-	193,572	-
Public safety	1,288,258	-	-	-
Public works	-	608,923	-	3,125,535
Health and welfare	-	-	-	-
Capital outlay	-	-	39,498	9,705
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	1,288,258	608,923	233,070	3,135,240
<i>Excess (deficiency) of revenues over expenditures</i>	(327,263)	74,149	(14,308)	(9,207)
<i>Other financing sources (uses)</i>				
Transfers in	450,000	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	450,000	-	-	-
<i>Net change in fund balances</i>	122,737	74,149	(14,308)	(9,207)
<i>Fund balances - beginning of year</i>	817,912	2,510,774	357,276	2,976,403
<i>Fund balances - end of year</i>	\$ 940,649	\$ 2,584,923	\$ 342,968	\$ 2,967,196

The accompanying notes are an integral part of these financial statements

Special Revenue

Hazardous Material Support Services	EMS	E911 Metro Dispatch	Farm & Range	Fire Protection District
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	13,337	-
-	149,454	21,499	-	1,314,879
-	-	-	-	400,000
-	109,575	1,375	-	-
-	-	-	-	-
-	7,803	201	-	454
-	<u>266,832</u>	<u>23,075</u>	<u>13,337</u>	<u>1,715,333</u>
-	-	-	-	-
4,223	735,534	1,573,390	-	789,401
-	-	-	-	-
-	-	-	20,000	-
-	30,690	-	-	904,729
-	-	-	-	-
-	-	-	-	-
<u>4,223</u>	<u>766,224</u>	<u>1,573,390</u>	<u>20,000</u>	<u>1,694,130</u>
<u>(4,223)</u>	<u>(499,392)</u>	<u>(1,550,315)</u>	<u>(6,663)</u>	<u>21,203</u>
-	534,600	1,980,000	7,000	-
-	-	-	-	-
-	<u>534,600</u>	<u>1,980,000</u>	<u>7,000</u>	<u>-</u>
(4,223)	35,208	429,685	337	21,203
<u>72,613</u>	<u>258,479</u>	<u>279,854</u>	<u>9,517</u>	<u>2,306,310</u>
<u>\$ 68,390</u>	<u>\$ 293,687</u>	<u>\$ 709,539</u>	<u>\$ 9,854</u>	<u>\$ 2,327,513</u>

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2012

	Special Revenue			
	Highway Beautification Grant	Law Enforcement Protection	Liquor Excise Tax	Emergency Communication & Medical
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	3,107,556
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	-	1,158,768	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	2,600	49,800	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	39
<i>Total revenues</i>	2,600	49,800	1,158,768	3,107,595
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	51,252	-	177,133
Public works	8,375	-	-	-
Health and welfare	-	-	955,309	-
Capital outlay	-	-	-	373,386
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	8,375	51,252	955,309	550,519
<i>Excess (deficiency) of revenues over expenditures</i>	(5,775)	(1,452)	203,459	2,557,076
<i>Other financing sources (uses)</i>				
Transfers in	6,000	-	-	-
Transfers (out)	-	-	-	(2,514,600)
<i>Total other financing sources (uses)</i>	6,000	-	-	(2,514,600)
<i>Net change in fund balances</i>	225	(1,452)	203,459	42,476
<i>Fund balances - beginning of year</i>	16,723	2,349	765,183	2,681,307
<i>Fund balances - end of year</i>	\$ 16,948	\$ 897	\$ 968,642	\$ 2,723,783

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Recreation</u>	<u>Community Health Improvement</u>	<u>Senior Citizens Centers</u>	<u>Fire Excise Tax</u>	<u>Local DWI Program</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	1,335,364	-
-	-	-	-	-
4	-	-	-	-
-	-	-	-	-
-	-	-	-	838,637
-	-	-	-	-
-	-	-	-	113,565
-	-	-	-	-
-	-	217	-	415
<u>4</u>	<u>-</u>	<u>217</u>	<u>1,335,364</u>	<u>952,617</u>
-	-	-	-	-
-	-	-	509,335	-
-	-	-	-	-
-	-	32,626	-	838,480
-	-	-	602,135	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>32,626</u>	<u>1,111,470</u>	<u>838,480</u>
<u>4</u>	<u>-</u>	<u>(32,409)</u>	<u>223,894</u>	<u>114,137</u>
-	-	20,000	-	-
(5,489)	(201)	-	-	-
<u>(5,489)</u>	<u>(201)</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
(5,485)	(201)	(12,409)	223,894	114,137
<u>5,485</u>	<u>201</u>	<u>23,706</u>	<u>3,894,978</u>	<u>238,372</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,297</u>	<u>\$ 4,118,872</u>	<u>\$ 352,509</u>

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2012

	<u>Special Revenue</u>			
	<u>Clerk Recording & Filing</u>	<u>Magistrate Court</u>	<u>Sheriff's Grants</u>	<u>Narcotic Drug Control & K-9 Drug Unit</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	15,973	-
State operating grants	-	125,000	769,733	-
State capital grants	-	-	-	-
Charges for services	12,557	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	1,684
<i>Total revenues</i>	<u>12,557</u>	<u>125,000</u>	<u>785,706</u>	<u>1,684</u>
<i>Expenditures:</i>				
Current:				
General government	-	78,570	-	-
Public safety	-	-	-	34,776
Public works	-	-	636,286	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>78,570</u>	<u>636,286</u>	<u>34,776</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>12,557</u>	<u>46,430</u>	<u>149,420</u>	<u>(33,092)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	80,000	55,000
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>55,000</u>
<i>Net change in fund balances</i>	12,557	46,430	229,420	21,908
<i>Fund balances - beginning of year</i>	<u>97,885</u>	<u>238,191</u>	<u>405,627</u>	<u>69,307</u>
<i>Fund balances - end of year</i>	<u>\$ 110,442</u>	<u>\$ 284,621</u>	<u>\$ 635,047</u>	<u>\$ 91,215</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Federal Office of Justice - Law Enforcement Grant	Law Enforcement Seizures	Emergency Management	JSAAC Center	CDBG Planning
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
45,548	-	318,874	464,878	-
-	-	76,185	150,000	-
-	-	-	-	-
-	1,011	-	-	-
-	-	-	-	92
-	-	7,724	250	-
<u>45,548</u>	<u>1,011</u>	<u>402,783</u>	<u>615,128</u>	<u>92</u>
58,265	-	-	-	-
-	-	530,343	603,364	-
-	-	-	-	-
-	-	-	-	-
6,324	-	29,088	27,654	-
-	-	-	-	-
-	-	-	-	-
<u>64,589</u>	<u>-</u>	<u>559,431</u>	<u>631,018</u>	<u>-</u>
<u>(19,041)</u>	<u>1,011</u>	<u>(156,648)</u>	<u>(15,890)</u>	<u>92</u>
-	-	16,058	-	-
-	-	-	-	-
-	-	<u>16,058</u>	-	-
<u>(19,041)</u>	<u>1,011</u>	<u>(140,590)</u>	<u>(15,890)</u>	<u>92</u>
<u>156,447</u>	<u>8,434</u>	<u>405,856</u>	<u>135,586</u>	<u>50,250</u>
<u>\$ 137,406</u>	<u>\$ 9,445</u>	<u>\$ 265,266</u>	<u>\$ 119,696</u>	<u>\$ 50,342</u>

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>		
	<u>Rural Public Safety</u>	<u>Capital Projects</u>	<u>Federal Grants</u>	<u>CDBG/Thoreau Wastewater</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	777,038	1,198,765	-	-
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	290,000	-	-
Investment income	-	-	-	-
Miscellaneous	4,325	-	-	-
<i>Total revenues</i>	<u>781,363</u>	<u>1,488,765</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	12,239	-	-
Public safety	24,818	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	44,966	-
Capital outlay	43,079	25,501	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>67,897</u>	<u>37,740</u>	<u>44,966</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>713,466</u>	<u>1,451,025</u>	<u>(44,966)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers (out)	(331,058)	-	-	-
<i>Total other financing sources (uses)</i>	<u>(331,058)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	382,408	1,451,025	(44,966)	-
<i>Fund balances - beginning of year</i>	<u>2,239,279</u>	<u>5,060,327</u>	<u>270,000</u>	<u>478,388</u>
<i>Fund balances - end of year</i>	<u>\$ 2,621,687</u>	<u>\$ 6,511,352</u>	<u>\$ 225,034</u>	<u>\$ 478,388</u>

The accompanying notes are an integral part of these financial statements

Capital Projects			Debt Service	
Infrastructure Gross Receipts	Courthouse Annex	Judicial Complex Construction	General Obligation Bonds	General Revenue/Gross Receipts Tax Bonds/ Notes
\$ -	\$ -	\$ -	\$ 2,518	\$ -
500,761	-	-	-	55,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>500,761</u>	<u>-</u>	<u>-</u>	<u>2,518</u>	<u>55,000</u>
-	34,435	-	29	-
-	-	-	-	-
93,956	-	-	-	-
-	-	-	-	-
177,824	28,918	888,929	-	-
-	-	-	-	110,000
-	-	-	-	23,070
<u>271,780</u>	<u>63,353</u>	<u>888,929</u>	<u>29</u>	<u>133,070</u>
<u>228,981</u>	<u>(63,353)</u>	<u>(888,929)</u>	<u>2,489</u>	<u>(78,070)</u>
-	-	-	-	133,070
(160,500)	-	-	(40,000)	-
<u>(160,500)</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>	<u>133,070</u>
68,481	(63,353)	(888,929)	(37,511)	55,000
<u>1,774,749</u>	<u>150,397</u>	<u>6,367,487</u>	<u>41,916</u>	<u>79,647</u>
<u>\$ 1,843,230</u>	<u>\$ 87,044</u>	<u>\$ 5,478,558</u>	<u>\$ 4,405</u>	<u>\$ 134,647</u>

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STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2012

Statement A-2
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	<u>Debt Service</u>			
	<u>Courthouse Project</u>	<u>Law Enforcement JDC Bonds</u>	<u>Judicial Complex</u>	<u>Total Nonmajor Governmental Funds</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 2,518
Gross receipts	1,200,632	708,532	566,200	11,269,400
Gasoline and motor vehicle taxes	-	-	-	604,971
Other	-	-	-	1,158,772
Intergovernmental:				
Federal operating grants	-	-	-	1,049,671
State operating grants	-	-	-	5,142,936
State capital grants	-	-	-	400,000
Charges for services	-	26,607	-	1,268,514
Investment income	-	-	-	92
Miscellaneous	-	-	-	37,417
<i>Total revenues</i>	<u>1,200,632</u>	<u>735,139</u>	<u>566,200</u>	<u>20,934,291</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	377,110
Public safety	-	-	-	6,321,827
Public works	-	-	-	4,473,075
Health and welfare	-	-	-	1,891,381
Capital outlay	-	-	-	3,187,460
Debt service:				
Principal	700,000	270,000	235,000	1,315,000
Interest	500,629	429,194	248,650	1,201,543
<i>Total expenditures</i>	<u>1,200,629</u>	<u>699,194</u>	<u>483,650</u>	<u>18,767,396</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3</u>	<u>35,945</u>	<u>82,550</u>	<u>2,166,895</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	3,281,728
Transfers (out)	-	-	-	(3,051,848)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229,880</u>
<i>Net change in fund balances</i>	3	35,945	82,550	2,396,775
<i>Fund balances - beginning of year</i>	<u>800,695</u>	<u>348,667</u>	<u>50,328</u>	<u>36,446,905</u>
<i>Fund balances - end of year</i>	<u>\$ 800,698</u>	<u>\$ 384,612</u>	<u>\$ 132,878</u>	<u>\$ 38,843,680</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-1

McKinley County

Correction Fees Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	439,000	439,000	464,444	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	713,500	713,500	400,060	(313,440)
Miscellaneous	1,500	1,500	-	(1,500)
<i>Total revenues</i>	<u>1,154,000</u>	<u>1,154,000</u>	<u>864,504</u>	<u>(314,940)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	1,634,189	1,634,189	1,277,119	357,070
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,634,189</u>	<u>1,634,189</u>	<u>1,277,119</u>	<u>357,070</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(480,189)</u>	<u>(480,189)</u>	<u>(412,615)</u>	<u>42,130</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	30,189	30,189	-	(30,189)
Transfers in	450,000	450,000	450,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>480,189</u>	<u>480,189</u>	<u>450,000</u>	<u>(30,189)</u>
<i>Net change in fund balance</i>	-	-	37,385	37,385
<i>Fund balance - beginning of year</i>	-	-	771,073	771,073
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 808,458</u>	<u>\$ 808,458</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 37,385
Adjustments to revenues for gross receipts taxes and charges for service				96,491
Adjustments to expenditures for personnel services and repairs and maintenance				(11,139)
Net change in fund balance (GAAP)				<u>\$ 122,737</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-2

McKinley County

Environmental Gross Receipts Taxes Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	520,000	520,000	666,100	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	110,000	110,000	78,439	(31,561)
<i>Total revenues</i>	<u>630,000</u>	<u>630,000</u>	<u>744,539</u>	<u>(31,561)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,050,643	1,050,643	650,141	400,502
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,050,643</u>	<u>1,050,643</u>	<u>650,141</u>	<u>400,502</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(420,643)</u>	<u>(420,643)</u>	<u>94,398</u>	<u>368,941</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	420,643	435,643	-	(435,643)
Transfers in	-	-	-	-
Transfers (out)	-	(15,000)	-	15,000
<i>Total other financing sources (uses)</i>	<u>420,643</u>	<u>420,643</u>	<u>-</u>	<u>(420,643)</u>
<i>Net change in fund balance</i>	-	-	94,398	94,398
<i>Fund balance - beginning of year</i>	-	-	2,480,375	2,480,375
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,574,773</u>	<u>\$ 2,574,773</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 94,398
Adjustments to revenues for gross receipts taxes				(61,467)
Adjustments to expenditures for other county agencies				41,218
Net change in fund balance (GAAP)				<u>\$ 74,149</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-3

McKinley County

Property Valuation Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	180,000	180,000	218,762	38,762
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>180,000</u>	<u>180,000</u>	<u>218,762</u>	<u>38,762</u>
<i>Expenditures:</i>				
Current:				
General government	275,388	265,891	192,511	73,380
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	30,000	39,497	39,498	(1)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>305,388</u>	<u>305,388</u>	<u>232,009</u>	<u>73,379</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(125,388)</u>	<u>(125,388)</u>	<u>(13,247)</u>	<u>112,141</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	125,388	125,388	-	(125,388)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>125,388</u>	<u>125,388</u>	<u>-</u>	<u>(125,388)</u>
<i>Net change in fund balance</i>	-	-	(13,247)	(13,247)
<i>Fund balance - beginning of year</i>	-	-	363,563	363,563
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350,316</u>	<u>\$ 350,316</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (13,247)
No adjustments to revenues				-
Adjustments to expenditures for non capital equipment				(1,061)
Net change in fund balance (GAAP)				<u>\$ (14,308)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-4

McKinley County

Road Fund Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	-
Gross receipts	696,286	696,286	684,204	(12,082)
Gasoline and motor vehicle	555,000	555,000	610,898	55,898
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	230,800	230,800	191,061	(39,739)
State operating grants	5,175,231	5,175,231	1,962,748	(3,212,483)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	500	500	141	(359)
<i>Total revenues</i>	<u>6,657,817</u>	<u>6,657,817</u>	<u>3,449,052</u>	<u>(3,208,765)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	6,780,725	6,989,820	3,958,981	3,030,839
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	325,000	258,614	9,705	248,909
<i>Total expenditures</i>	<u>7,105,725</u>	<u>7,248,434</u>	<u>3,968,686</u>	<u>3,279,748</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(447,908)</u>	<u>(590,617)</u>	<u>(519,634)</u>	<u>70,983</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(52,092)	90,617	-	(90,617)
Transfers in	500,000	500,000	-	(500,000)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>447,908</u>	<u>590,617</u>	<u>-</u>	<u>(590,617)</u>
<i>Net change in fund balance</i>	-	-	(519,634)	(519,634)
<i>Fund balance - beginning of year</i>	-	-	3,359,089	3,359,089
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,839,455</u>	<u>\$ 2,839,455</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (519,634)
Adjustments to revenue for state operating grants				(323,019)
Adjustments to expenditures for non capital equipment				833,446
Net change in fund balance (GAAP)				<u>\$ (9,207)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-5

McKinley County

Hazardous Material Support Services Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	15,000	15,000	15,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	100	100	-	(100)
<i>Total revenues</i>	<u>15,100</u>	<u>15,100</u>	<u>15,000</u>	<u>(100)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	32,909	32,909	3,147	29,762
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>32,909</u>	<u>32,909</u>	<u>3,147</u>	<u>29,762</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(17,809)</u>	<u>(17,809)</u>	<u>11,853</u>	<u>29,662</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	17,809	17,809	-	(17,809)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>17,809</u>	<u>17,809</u>	<u>-</u>	<u>(17,809)</u>
<i>Net change in fund balance</i>	-	-	11,853	11,853
<i>Fund balance - beginning of year</i>	-	-	57,613	57,613
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,466</u>	<u>\$ 69,466</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 11,853
Adjustments to revenue for state operating grants				(15,000)
Adjustments to expenditures for non capital equipment				(1,076)
Net change in fund balance (GAAP)				<u>\$ (4,223)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-6

McKinley County

EMS Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	151,762	151,762	149,454	(2,308)
State capital grants	-	-	-	-
Charges for services	78,500	78,500	91,441	12,941
Miscellaneous	1,500	1,500	7,803	6,303
<i>Total revenues</i>	<u>231,762</u>	<u>231,762</u>	<u>248,698</u>	<u>16,936</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	935,020	925,075	755,639	169,436
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	100,000	110,000	30,690	79,310
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,035,020</u>	<u>1,035,075</u>	<u>786,329</u>	<u>248,746</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(803,258)</u>	<u>(803,313)</u>	<u>(537,631)</u>	<u>265,682</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	168,658	168,713	-	(168,713)
Transfers in	634,600	634,600	534,600	(100,000)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>803,258</u>	<u>803,313</u>	<u>534,600</u>	<u>(268,713)</u>
<i>Net change in fund balance</i>	-	-	(3,031)	(3,031)
<i>Fund balance - beginning of year</i>	-	-	305,580	305,580
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 302,549</u>	<u>\$ 302,549</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (3,031)
Adjustments to revenue for charges for service				18,134
Adjustments to expenditures for supplies				20,105
Net change in fund balance (GAAP)				<u>\$ 35,208</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-7

McKinley County

E911 Metro Dispatch Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	15,000	15,000	14,998	(2)
State capital grants	-	-	-	-
Charges for services	1,300	1,300	1,375	75
Miscellaneous	500	500	201	(299)
<i>Total revenues</i>	<u>16,800</u>	<u>16,800</u>	<u>16,574</u>	<u>(226)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	1,777,905	1,777,904	1,563,469	214,435
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	5,918	5,918	5,917	1
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,783,823</u>	<u>1,783,822</u>	<u>1,569,386</u>	<u>214,436</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,767,023)</u>	<u>(1,767,022)</u>	<u>(1,552,812)</u>	<u>214,210</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(212,977)	(212,978)	-	212,978
Transfers in	1,980,000	1,980,000	1,980,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,767,023</u>	<u>1,767,022</u>	<u>1,980,000</u>	<u>212,978</u>
<i>Net change in fund balance</i>	-	-	427,188	427,188
<i>Fund balance - beginning of year</i>	-	-	320,913	320,913
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 748,101</u>	<u>\$ 748,101</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 427,188
Adjustments to revenues for state operating grants				6,501
Adjustments to expenditures for repairs and maintenance and professional services				(4,004)
Net change in fund balance (GAAP)				<u>\$ 429,685</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-8

McKinley County

Farm & Range Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	13,400	13,400	13,337	(63)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>13,400</u>	<u>13,400</u>	<u>13,337</u>	<u>(63)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	20,000	20,000	20,000	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(6,600)</u>	<u>(6,600)</u>	<u>(6,663)</u>	<u>(63)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(400)	(400)	-	400
Transfers in	7,000	7,000	7,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>6,600</u>	<u>6,600</u>	<u>7,000</u>	<u>400</u>
<i>Net change in fund balance</i>	-	-	337	337
<i>Fund balance - beginning of year</i>	-	-	9,517	9,517
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,854</u>	<u>\$ 9,854</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 337
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 337</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-9

McKinley County

Fire Protection District Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	1,314,879	1,314,879	1,314,879	-
State capital grants	-	400,000	400,000	-
Charges for services	-	-	-	-
Miscellaneous	2,000	2,000	454	(1,546)
<i>Total revenues</i>	<u>1,316,879</u>	<u>1,716,879</u>	<u>1,715,333</u>	<u>(1,546)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	1,272,702	1,278,167	826,674	451,493
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,516,570	1,989,105	888,811	1,100,294
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,789,272</u>	<u>3,267,272</u>	<u>1,715,485</u>	<u>1,551,787</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,472,393)</u>	<u>(1,550,393)</u>	<u>(152)</u>	<u>1,550,241</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,472,393	1,550,393	-	(1,550,393)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,472,393</u>	<u>1,550,393</u>	<u>-</u>	<u>(1,550,393)</u>
<i>Net change in fund balance</i>	-	-	(152)	(152)
<i>Fund balance - beginning of year</i>	-	-	2,379,585	2,379,585
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,379,433</u>	<u>\$ 2,379,433</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (152)
No adjustments to revenues				-
Adjustments to expenditures for repairs and maintenance and capital outlay				21,355
Net change in fund balance (GAAP)				<u>\$ 21,203</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

McKinley County

Highway Beautification Grant Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	2,800	2,800	2,600	(200)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,800</u>	<u>2,800</u>	<u>2,600</u>	<u>(200)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	8,032	8,032	8,014	18
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,032</u>	<u>8,032</u>	<u>8,014</u>	<u>18</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,232)</u>	<u>(5,232)</u>	<u>(5,414)</u>	<u>(182)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(768)	(768)	-	768
Transfers in	6,000	6,000	6,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,232</u>	<u>5,232</u>	<u>6,000</u>	<u>768</u>
<i>Net change in fund balance</i>	-	-	586	586
<i>Fund balance - beginning of year</i>	-	-	16,723	16,723
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,309</u>	<u>\$ 17,309</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 586
No adjustments to revenues				-
Adjustments to expenditures for temporary positions				(361)
Net change in fund balance (GAAP)				<u>\$ 225</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

McKinley County

Law Enforcement Protection Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	49,800	49,800	49,800	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>49,800</u>	<u>49,800</u>	<u>49,800</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	50,000	50,000	49,989	11
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>50,000</u>	<u>50,000</u>	<u>49,989</u>	<u>11</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(200)</u>	<u>(200)</u>	<u>(189)</u>	<u>11</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	200	200	-	(200)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>200</u>	<u>200</u>	<u>-</u>	<u>(200)</u>
<i>Net change in fund balance</i>	-	-	(189)	(189)
<i>Fund balance - beginning of year</i>	-	-	2,349	2,349
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,160</u>	<u>\$ 2,160</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (189)
No adjustments to revenues				-
Adjustments to expenditures for supplies				(1,263)
Net change in fund balance (GAAP)				<u>\$ (1,452)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

McKinley County

Liquor Excise Tax Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	1,004,000	1,004,000	1,158,768	154,768
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,004,000</u>	<u>1,004,000</u>	<u>1,158,768</u>	<u>154,768</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,150,583	1,150,583	970,892	179,691
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,150,583</u>	<u>1,150,583</u>	<u>970,892</u>	<u>179,691</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(146,583)</u>	<u>(146,583)</u>	<u>187,876</u>	<u>334,459</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	146,583	146,583	-	(146,583)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>146,583</u>	<u>146,583</u>	<u>-</u>	<u>(146,583)</u>
<i>Net change in fund balance</i>	-	-	187,876	187,876
<i>Fund balance - beginning of year</i>	-	-	780,766	780,766
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 968,642</u>	<u>\$ 968,642</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 187,876
No adjustments to revenues				-
Adjustments to expenditures for professional services				15,583
Net change in fund balance (GAAP)				<u>\$ 203,459</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

McKinley County

Emergency Communication & Medical Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	3,000,000	3,000,000	3,097,354	97,354
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	500	500	39	(461)
<i>Total revenues</i>	<u>3,000,500</u>	<u>3,000,500</u>	<u>3,097,393</u>	<u>96,893</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	372,666	382,666	179,674	202,992
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	495,181	485,181	373,386	111,795
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>867,847</u>	<u>867,847</u>	<u>553,060</u>	<u>314,787</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,132,653</u>	<u>2,132,653</u>	<u>2,544,333</u>	<u>411,680</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	481,947	481,947	-	(481,947)
Transfers in	-	-	-	-
Transfers (out)	(2,614,600)	(2,614,600)	(2,514,600)	100,000
<i>Total other financing sources (uses)</i>	<u>(2,132,653)</u>	<u>(2,132,653)</u>	<u>(2,514,600)</u>	<u>(381,947)</u>
<i>Net change in fund balance</i>	-	-	29,733	29,733
<i>Fund balance - beginning of year</i>	-	-	2,428,674	2,428,674
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,458,407</u>	<u>\$ 2,458,407</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 29,733
Adjustments to revenues for gross receipts taxes				10,202
Adjustments to expenditures for professional services				2,541
Net change in fund balance (GAAP)				<u>\$ 42,476</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

McKinley County

Recreation Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	100	100	4	(96)
Intergovernmental:				
Federal operating grants	15	15	-	(15)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>115</u>	<u>115</u>	<u>4</u>	<u>(111)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>115</u>	<u>115</u>	<u>4</u>	<u>(111)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	5,485	5,485	-	(5,485)
Transfers in	-	-	-	-
Transfers (out)	(5,600)	(5,600)	(5,489)	111
<i>Total other financing sources (uses)</i>	<u>(115)</u>	<u>(115)</u>	<u>(5,489)</u>	<u>(5,374)</u>
<i>Net change in fund balance</i>	-	-	(5,485)	(5,485)
<i>Fund balance - beginning of year</i>	-	-	5,485	5,485
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (5,485)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (5,485)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-15

McKinley County

Community Health Improvement Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	201	201	-	(201)
Transfers in	-	-	-	-
Transfers (out)	(201)	(201)	(201)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(201)</u>	<u>(201)</u>
<i>Net change in fund balance</i>	-	-	(201)	(201)
<i>Fund balance - beginning of year</i>	-	-	201	201
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (201)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (201)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-16

McKinley County

Senior Citizens Center Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	500	500	217	(283)
<i>Total revenues</i>	<u>500</u>	<u>500</u>	<u>217</u>	<u>(283)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	31,805	40,805	32,316	8,489
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>31,805</u>	<u>40,805</u>	<u>32,316</u>	<u>8,489</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(31,305)</u>	<u>(40,305)</u>	<u>(32,099)</u>	<u>8,206</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	11,305	20,305	-	(20,305)
Transfers in	20,000	20,000	20,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>31,305</u>	<u>40,305</u>	<u>20,000</u>	<u>(20,305)</u>
<i>Net change in fund balance</i>	-	-	(12,099)	(12,099)
<i>Fund balance - beginning of year</i>	-	-	25,863	25,863
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,764</u>	<u>\$ 13,764</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (12,099)
No adjustments to revenues				-
Adjustments to expenditures for utilities				(310)
Net change in fund balance (GAAP)				<u>\$ (12,409)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-17

McKinley County

Fire Excise Tax Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,200,000	1,200,000	1,343,435	143,435
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	291,200	-	(291,200)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,200,000</u>	<u>1,491,200</u>	<u>1,343,435</u>	<u>(147,765)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	626,641	626,641	343,866	282,775
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	2,327,581	3,221,581	717,137	2,504,444
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,954,222</u>	<u>3,848,222</u>	<u>1,061,003</u>	<u>2,787,219</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,754,222)</u>	<u>(2,357,022)</u>	<u>282,432</u>	<u>2,639,454</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,754,222	2,357,022	-	(2,357,022)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,754,222</u>	<u>2,357,022</u>	<u>-</u>	<u>(2,357,022)</u>
<i>Net change in fund balance</i>	-	-	282,432	282,432
<i>Fund balance - beginning of year</i>	-	-	3,812,753	3,812,753
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,095,185</u>	<u>\$ 4,095,185</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 282,432
Adjustments to revenues for gross receipts taxes				(8,071)
Adjustments to expenditures for repairs and maintenance and capital outlay				(50,467)
Net change in fund balance (GAAP)				<u>\$ 223,894</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

McKinley County

Local DWI Program Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	795,495	876,983	806,382	(70,601)
State capital grants	-	-	-	-
Charges for services	144,000	144,000	113,565	(30,435)
Miscellaneous	-	-	415	415
<i>Total revenues</i>	<u>939,495</u>	<u>1,020,983</u>	<u>920,362</u>	<u>(100,621)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	939,071	1,020,559	850,843	169,716
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>939,071</u>	<u>1,020,559</u>	<u>850,843</u>	<u>169,716</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>424</u>	<u>424</u>	<u>69,519</u>	<u>69,095</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(424)	(424)	-	424
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(424)</u>	<u>(424)</u>	<u>-</u>	<u>424</u>
<i>Net change in fund balance</i>	-	-	69,519	69,519
<i>Fund balance - beginning of year</i>	-	-	270,553	270,553
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 340,072</u>	<u>\$ 340,072</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 69,519
Adjustments to revenues for state operating grants				32,255
Adjustments to expenditures for repairs and maintenance				12,363
Net change in fund balance (GAAP)				<u>\$ 114,137</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-19

McKinley County

Clerk Recording & Filing Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	15,000	15,000	12,557	(2,443)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>15,000</u>	<u>15,000</u>	<u>12,557</u>	<u>(2,443)</u>
<i>Expenditures:</i>				
Current:				
General government	14,100	14,100	-	14,100
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>14,100</u>	<u>14,100</u>	<u>-</u>	<u>14,100</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>900</u>	<u>900</u>	<u>12,557</u>	<u>11,657</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(900)	(900)	-	900
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(900)</u>	<u>(900)</u>	<u>-</u>	<u>900</u>
<i>Net change in fund balance</i>	-	-	12,557	12,557
<i>Fund balance - beginning of year</i>	-	-	97,885	97,885
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,442</u>	<u>\$ 110,442</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 12,557
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 12,557</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-20

McKinley County

Magistrate Court Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	125,000	125,000	125,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	107,357	107,357	78,505	28,852
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>107,357</u>	<u>107,357</u>	<u>78,505</u>	<u>28,852</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>17,643</u>	<u>17,643</u>	<u>46,495</u>	<u>28,852</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(17,643)	(17,643)	-	17,643
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(17,643)</u>	<u>(17,643)</u>	<u>-</u>	<u>17,643</u>
<i>Net change in fund balance</i>	-	-	46,495	46,495
<i>Fund balance - beginning of year</i>	-	-	241,460	241,460
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 287,955</u>	<u>\$ 287,955</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 46,495
No adjustments to revenues				-
Adjustments to expenditures for repairs and maintenance				(65)
Net change in fund balance (GAAP)				<u>\$ 46,430</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

McKinley County

Sheriff's Grants Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	14,000	14,000	14,997	997
State operating grants	668,500	698,500	445,531	(252,969)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>682,500</u>	<u>712,500</u>	<u>460,528</u>	<u>(251,972)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	601,353	631,353	621,963	9,390
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>601,353</u>	<u>631,353</u>	<u>621,963</u>	<u>9,390</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>81,147</u>	<u>81,147</u>	<u>(161,435)</u>	<u>(242,582)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(161,147)	(161,147)	-	161,147
Transfers in	80,000	80,000	80,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(81,147)</u>	<u>(81,147)</u>	<u>80,000</u>	<u>161,147</u>
<i>Net change in fund balance</i>	-	-	(81,435)	(81,435)
<i>Fund balance - beginning of year</i>	-	-	362,594	362,594
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 281,159</u>	<u>\$ 281,159</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (81,435)
Adjustments to revenues for state and federal operating grants				325,178
Adjustments to expenditures for contract services				(14,323)
Net change in fund balance (GAAP)				<u>\$ 229,420</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

McKinley County

Narcotic Drug Control & K-9 Drug Unit Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	5,000	5,000	1,684	(3,316)
<i>Total revenues</i>	<u>5,000</u>	<u>5,000</u>	<u>1,684</u>	<u>(3,316)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	63,662	63,662	35,738	27,924
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>63,662</u>	<u>63,662</u>	<u>35,738</u>	<u>27,924</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(58,662)</u>	<u>(58,662)</u>	<u>(34,054)</u>	<u>24,608</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	3,662	3,662	-	(3,662)
Transfers in	55,000	55,000	55,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>58,662</u>	<u>58,662</u>	<u>55,000</u>	<u>(3,662)</u>
<i>Net change in fund balance</i>	-	-	20,946	20,946
<i>Fund balance - beginning of year</i>	-	-	70,269	70,269
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,215</u>	<u>\$ 91,215</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 20,946
No adjustments to revenues				-
Adjustments to expenditures for non capital equipment				962
Net change in fund balance (GAAP)				<u>\$ 21,908</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-23

McKinley County

Federal Office of Justice - Law Enforcement Grant Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	183,800	183,800	87,551	(96,249)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>183,800</u>	<u>183,800</u>	<u>87,551</u>	<u>(96,249)</u>
<i>Expenditures:</i>				
Current:				
General government	183,800	177,475	58,265	119,210
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	6,325	6,324	1
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>183,800</u>	<u>183,800</u>	<u>64,589</u>	<u>119,211</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>22,962</u>	<u>22,962</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>22,962</u>	<u>22,962</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>114,444</u>	<u>114,444</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,406</u>	<u>\$ 137,406</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 22,962
Adjustments to revenues for federal operating grants				(42,003)
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (19,041)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-24

McKinley County

Law Enforcement Seizures Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	1,011	1,011
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,011</u>	<u>1,011</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,011</u>	<u>1,011</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	1,011	1,011
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>8,434</u>	<u>8,434</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,445</u>	<u>\$ 9,445</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 1,011
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 1,011</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

McKinley County

Emergency Management Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	2,100,955	2,100,955	316,874	-
State operating grants	109,000	337,310	60,233	(277,077)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	1,805	1,805
<i>Total revenues</i>	<u>2,209,955</u>	<u>2,438,265</u>	<u>378,912</u>	<u>(275,272)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	2,283,064	2,492,647	534,959	1,957,688
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	34,785	29,088	5,697
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,283,064</u>	<u>2,527,432</u>	<u>564,047</u>	<u>1,963,385</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(73,109)</u>	<u>(89,167)</u>	<u>(185,135)</u>	<u>1,688,113</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(226,891)	(226,891)	-	226,891
Transfers in	300,000	316,058	16,058	(300,000)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>73,109</u>	<u>89,167</u>	<u>16,058</u>	<u>(73,109)</u>
<i>Net change in fund balance</i>	-	-	(169,077)	(169,077)
<i>Fund balance - beginning of year</i>	-	-	422,672	422,672
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 253,595</u>	<u>\$ 253,595</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (169,077)
Adjustments to revenues for charges for service				23,871
Adjustments to expenditures for equipment				4,616
Net change in fund balance (GAAP)				<u>\$ (140,590)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-26

McKinley County

JSAAC Center Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	578,568	578,568	562,867	(15,701)
State operating grants	150,000	150,000	150,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	700	700	293	(407)
<i>Total revenues</i>	<u>729,268</u>	<u>729,268</u>	<u>713,160</u>	<u>(16,108)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	761,976	769,276	630,281	138,995
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	35,000	27,700	27,654	46
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>796,976</u>	<u>796,976</u>	<u>657,935</u>	<u>139,041</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(67,708)</u>	<u>(67,708)</u>	<u>55,225</u>	<u>122,933</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	67,708	67,708	-	(67,708)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>67,708</u>	<u>67,708</u>	<u>-</u>	<u>(67,708)</u>
<i>Net change in fund balance</i>	-	-	55,225	55,225
<i>Fund balance - beginning of year</i>	-	-	57,648	57,648
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,873</u>	<u>\$ 112,873</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 55,225
Adjustments to revenues for state and federal operating grants				(98,032)
Adjustments to expenditures for salaries and professional services				26,917
Net change in fund balance (GAAP)				<u>\$ (15,890)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

McKinley County

CDBG Planning Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	50,000	100,000	-	(100,000)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>50,000</u>	<u>100,000</u>	<u>92</u>	<u>(99,908)</u>
<i>Expenditures:</i>				
Current:				
General government	50,000	115,000	-	115,000
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>50,000</u>	<u>115,000</u>	<u>-</u>	<u>115,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(15,000)</u>	<u>92</u>	<u>15,092</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	15,000	-	(15,000)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>92</u>	<u>92</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>50,250</u>	<u>50,250</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,342</u>	<u>\$ 50,342</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 92
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 92</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

McKinley County

Rural Public Safety Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	801,429	801,429	774,413	(27,016)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	5,100	5,100	4,325	(775)
<i>Total revenues</i>	<u>806,529</u>	<u>806,529</u>	<u>778,738</u>	<u>(27,791)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	80,245	80,245	43,521	36,724
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	493,228	493,228	43,079	450,149
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>573,473</u>	<u>573,473</u>	<u>86,600</u>	<u>486,873</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>233,056</u>	<u>233,056</u>	<u>692,138</u>	<u>459,082</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	401,944	418,002	-	(418,002)
Transfers in	-	-	-	-
Transfers (out)	(635,000)	(651,058)	(331,058)	320,000
<i>Total other financing sources (uses)</i>	<u>(233,056)</u>	<u>(233,056)</u>	<u>(331,058)</u>	<u>(98,002)</u>
<i>Net change in fund balance</i>	-	-	361,080	361,080
<i>Fund balance - beginning of year</i>	-	-	2,194,181	2,194,181
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,555,261</u>	<u>\$ 2,555,261</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 361,080
Adjustments to revenues for gross receipts taxes				2,625
Adjustments to expenditures for capital outlay				18,703
Net change in fund balance (GAAP)				<u>\$ 382,408</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-29

McKinley County

Capital Projects Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	925,000	925,000	1,214,380	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	290,000	290,000	290,000	-
Miscellaneous	1,000	1,000	-	(1,000)
<i>Total revenues</i>	<u>1,216,000</u>	<u>1,216,000</u>	<u>1,504,380</u>	<u>(1,000)</u>
<i>Expenditures:</i>				
Current:				
General government	270,000	270,000	55,810	214,190
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	220,000	220,000	25,501	194,499
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>490,000</u>	<u>490,000</u>	<u>81,311</u>	<u>408,689</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>726,000</u>	<u>726,000</u>	<u>1,423,069</u>	<u>407,689</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(726,000)	(726,000)	-	726,000
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(726,000)</u>	<u>(726,000)</u>	<u>-</u>	<u>726,000</u>
<i>Net change in fund balance</i>	-	-	1,423,069	1,423,069
<i>Fund balance - beginning of year</i>	-	-	4,982,410	4,982,410
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,405,479</u>	<u>\$ 6,405,479</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 1,423,069
Adjustments to revenues for GRT capital projects revenues				(15,615)
Adjustments to expenditures for non capital equipment and construction expenditures				43,571
Net change in fund balance (GAAP)				<u>\$ 1,451,025</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-30

McKinley County

Federal Grants Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	222,865	222,865	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>222,865</u>	<u>222,865</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	222,865	222,865	44,966	177,899
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>222,865</u>	<u>222,865</u>	<u>44,966</u>	<u>177,899</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(44,966)</u>	<u>177,899</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	270,000	270,000	-	(270,000)
Transfers in	-	-	-	-
Transfers (out)	<u>(270,000)</u>	<u>(270,000)</u>	<u>-</u>	<u>270,000</u>
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(44,966)</u>	<u>(44,966)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>270,000</u>	<u>270,000</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,034</u>	<u>\$ 225,034</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (44,966)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (44,966)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-31

McKinley County

CDBG/Thoreau Wastewater Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	450,000	450,000	-	-
State operating grants	50,000	50,000	-	(50,000)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>(50,000)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	478,388	478,388	-	478,388
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>478,388</u>	<u>478,388</u>	<u>-</u>	<u>478,388</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>21,612</u>	<u>21,612</u>	<u>-</u>	<u>428,388</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(21,612)	(21,612)	-	21,612
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(21,612)</u>	<u>(21,612)</u>	<u>-</u>	<u>21,612</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	478,388	478,388
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478,388</u>	<u>\$ 478,388</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-32

McKinley County

Infrastructure Gross Receipts Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	450,000	450,000	503,787	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	10,000	10,000	-	(10,000)
<i>Total revenues</i>	<u>460,000</u>	<u>460,000</u>	<u>503,787</u>	<u>(10,000)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	350,000	321,923	302,094	19,829
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	362,440	390,517	215,341	175,176
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>712,440</u>	<u>712,440</u>	<u>517,435</u>	<u>195,005</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(252,440)</u>	<u>(252,440)</u>	<u>(13,648)</u>	<u>185,005</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	302,440	412,940	-	(412,940)
Transfers in	-	-	-	-
Transfers (out)	(50,000)	(160,500)	(160,500)	-
<i>Total other financing sources (uses)</i>	<u>252,440</u>	<u>252,440</u>	<u>(160,500)</u>	<u>(412,940)</u>
<i>Net change in fund balance</i>	-	-	(174,148)	(174,148)
<i>Fund balance - beginning of year</i>	-	-	1,975,745	1,975,745
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,801,597</u>	<u>\$ 1,801,597</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (174,148)
Adjustments to revenue for gross receipt taxes				(3,026)
Adjustments to expenditures for repairs and maintenance				245,655
Net change in fund balance (GAAP)				<u>\$ 68,481</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-33

McKinley County

Courthouse Annex Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	120,397	121,479	34,435	87,044
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	30,000	28,918	28,918	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>150,397</u>	<u>150,397</u>	<u>63,353</u>	<u>87,044</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(150,397)</u>	<u>(150,397)</u>	<u>(63,353)</u>	<u>87,044</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	150,397	150,397	-	(150,397)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>150,397</u>	<u>150,397</u>	<u>-</u>	<u>(150,397)</u>
<i>Net change in fund balance</i>	-	-	(63,353)	(63,353)
<i>Fund balance - beginning of year</i>	-	-	150,397	150,397
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,044</u>	<u>\$ 87,044</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (63,353)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (63,353)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-34

McKinley County

State Projects Capital Projects Fund (Major)

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	3,639,481	3,793,812	407,652	(3,386,160)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	50,000	50,000	1,500	(48,500)
<i>Total revenues</i>	<u>3,689,481</u>	<u>3,843,812</u>	<u>409,152</u>	<u>(3,434,660)</u>
<i>Expenditures:</i>				
Current:				
General government	1,651,243	3,400,963	549,520	2,851,443
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,586,877	20,000	11,297	8,703
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,238,120</u>	<u>3,420,963</u>	<u>560,817</u>	<u>2,860,146</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>451,361</u>	<u>422,849</u>	<u>(151,665)</u>	<u>(574,514)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(451,361)	(422,849)	-	422,849
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(451,361)</u>	<u>(422,849)</u>	<u>-</u>	<u>422,849</u>
<i>Net change in fund balance</i>	-	-	(151,665)	(151,665)
<i>Fund balance - beginning of year</i>	-	-	2,460,224	2,460,224
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,308,559</u>	<u>\$ 2,308,559</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (151,665)
Adjustments to revenues for state grant revenue				345,949
Adjustments to expenditures for construction expenditures				(261,482)
Net change in fund balance (GAAP)				<u>\$ (67,198)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-35

McKinley County

Judicial Complex Construction Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	5,000	5,000	-	(5,000)
<i>Total revenues</i>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
<i>Expenditures:</i>				
Current:				
General government	50,000	19,922	19,913	9
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	2,295,000	2,325,078	802,573	1,522,505
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,345,000</u>	<u>2,345,000</u>	<u>822,486</u>	<u>1,522,514</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,340,000)</u>	<u>(2,340,000)</u>	<u>(822,486)</u>	<u>1,517,514</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	2,340,000	2,340,000	-	(2,340,000)
Loan proceeds	-	-	-	-
Bond premium	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,340,000</u>	<u>2,340,000</u>	<u>-</u>	<u>(2,340,000)</u>
<i>Net change in fund balance</i>	-	-	(822,486)	(822,486)
<i>Fund balance - beginning of year</i>	-	-	6,421,171	6,421,171
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,598,685</u>	<u>\$ 5,598,685</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (822,486)
No adjustments to revenues				-
Adjustments to expenditures for capital outlay expenditures				(66,443)
Net change in fund balance (GAAP)				<u>\$ (888,929)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-36

McKinley County

General Obligation Bonds Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ 5,005	\$ 5,005	\$ 2,881	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,005</u>	<u>5,005</u>	<u>2,881</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	500	500	29	471
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>500</u>	<u>500</u>	<u>29</u>	<u>471</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>4,505</u>	<u>4,505</u>	<u>2,852</u>	<u>471</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	35,495	35,495	-	(35,495)
Transfers in	-	-	-	-
Transfers (out)	(40,000)	(40,000)	(40,000)	-
<i>Total other financing sources (uses)</i>	<u>(4,505)</u>	<u>(4,505)</u>	<u>(40,000)</u>	<u>(35,495)</u>
<i>Net change in fund balance</i>	-	-	(37,148)	(37,148)
<i>Fund balance - beginning of year</i>	-	-	41,449	41,449
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,301</u>	<u>\$ 4,301</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (37,148)
Adjustments to revenues for property taxes				(363)
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (37,511)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-37

McKinley County

General Revenue/Gross Receipts Tax Bonds/Notes Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	60,000	60,000	60,000	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	110,000	110,000	110,000	-
Interest	23,070	23,070	23,070	-
<i>Total expenditures</i>	<u>133,070</u>	<u>133,070</u>	<u>133,070</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(73,070)</u>	<u>(73,070)</u>	<u>(73,070)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(60,000)	(60,000)	-	60,000
Transfers in	133,070	133,070	133,070	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>73,070</u>	<u>73,070</u>	<u>133,070</u>	<u>60,000</u>
<i>Net change in fund balance</i>	-	-	60,000	60,000
<i>Fund balance - beginning of year</i>	-	-	74,647	74,647
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,647</u>	<u>\$ 134,647</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 60,000
Adjustments to revenues for gross receipt taxes				(5,000)
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 55,000</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-38

McKinley County

Courthouse Project Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,200,629	1,200,629	1,200,630	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,200,629</u>	<u>1,200,629</u>	<u>1,200,630</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	700,000	700,000	700,000	-
Interest	500,629	500,629	500,629	-
<i>Total expenditures</i>	<u>1,200,629</u>	<u>1,200,629</u>	<u>1,200,629</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>700,637</u>	<u>700,637</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 700,638</u>	<u>\$ 700,638</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 1
Adjustments to revenues for gross receipt taxes				2
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 3</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-39

McKinley County

Law Enforcement JDC Bonds Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	682,682	682,682	682,682	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	26,607	26,607	26,607	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>709,289</u>	<u>709,289</u>	<u>709,289</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	270,000	270,000	270,000	-
Interest	429,195	429,195	429,194	1
<i>Total expenditures</i>	<u>699,195</u>	<u>699,195</u>	<u>699,194</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>10,094</u>	<u>10,094</u>	<u>10,095</u>	<u>1</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(10,094)	(10,094)	-	10,094
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(10,094)</u>	<u>(10,094)</u>	<u>-</u>	<u>10,094</u>
<i>Net change in fund balance</i>	-	-	10,095	10,095
<i>Fund balance - beginning of year</i>	-	-	316,167	316,167
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326,262</u>	<u>\$ 326,262</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 10,095
Adjustments to revenue for gross receipt taxes and charges for service				25,850
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 35,945</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-40

McKinley County

Judicial Complex Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	600,000	600,000	600,000	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	235,000	235,000	235,000	-
Interest	248,650	248,650	248,650	-
<i>Total expenditures</i>	<u>483,650</u>	<u>483,650</u>	<u>483,650</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>116,350</u>	<u>116,350</u>	<u>116,350</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(116,350)	(116,350)	-	116,350
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(116,350)</u>	<u>(116,350)</u>	<u>-</u>	<u>116,350</u>
<i>Net change in fund balance</i>	-	-	116,350	116,350
<i>Fund balance - beginning of year</i>	-	-	328	328
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,678</u>	<u>\$ 116,678</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 116,350
Adjustments to revenue for gross receipt taxes				(33,800)
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 82,550</u>

The accompanying notes are an integral part of these financial statements

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SUPPORTING SCHEDULES

STATE OF NEW MEXICO
 McKinley County
 Schedule of Collateral Pledged by Depository For Public Funds
 June 30, 2012

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value *Par Value at June 30, 2012	Location of Safekeeper
US Bank					
	GNMA REMIC 2004-34 FM	4/20/2034	38374GJ52	\$ 2,427,704	Federal Home Loan Bank- Dallas, TX
	Total US Bank			<u>2,427,704</u>	
Pinnacle Bank					
	FNMA 257504	12/1/2018	31371PAD2	800,044	Federal Reserve Bank of Kansas City
	FHLMC 3564 LA	8/15/2019	31398JEB5	1,471,330	Federal Reserve Bank of Kansas City
	FHLB BONDS	4/5/2016	313373AZ5	6,602,606	Federal Reserve Bank of Kansas City
	FHLB BONDS	10/30/2014	3133XXRS8	7,851,900	Federal Reserve Bank of Kansas City
	GHLB BONDS	6/10/2016	313373SZ6	2,624,350	Federal Reserve Bank of Kansas City
	FNMA 303603	2/1/2014	31373UGL5	5,596	Federal Reserve Bank of Kansas City
	FNMA 238817 ARM	11/1/2024	31370RG27	162,612	Federal Reserve Bank of Kansas City
	FNAM 303603	2/1/2014	31373UGL5	20,147	Federal Reserve Bank of Kansas City
	FNMA 323755	11/1/2013	31374TTL3	8,934	Federal Reserve Bank of Kansas City
	FNMA 323794	6/1/2014	31374TUT4	12,940	Federal Reserve Bank of Kansas City
	FNMA 422841	4/1/2013	31379LWA5	6,369	Federal Reserve Bank of Kansas City
	FHLMC G 11533	3/1/2019	31283KV21	1,253,437	Federal Reserve Bank of Kansas City
	FNMA 10 137 BJ	12/25/2025	31398SRD7	7,214,688	Federal Reserve Bank of Kansas City
	FHLMC 3758 CH	9/15/2018	3137A3CE7	3,325,477	Federal Reserve Bank of Kansas City
	FHLMC 3884 DJ	2/15/2025	3137ABVT5	3,246,102	Federal Reserve Bank of Kansas City
	CORRALES NM GO	8/1/2015	22025PBF5	80,000 *	Federal Reserve Bank of Kansas City
	CORRALES NM GO	8/1/2015	22025PBG3	84,000 *	Federal Reserve Bank of Kansas City
	WEST POINT NE COP	11/1/2016	955444AB0	252,163	Federal Reserve Bank of Kansas City
	WEST POINT NE COP	11/1/2017	955444AC8	<u>403,156</u>	Federal Reserve Bank of Kansas City
	Total Pinnacle Bank			<u>35,425,851</u>	

* As per NMSA 2.2.2.10 (N) (4), the value of collateral consisting of obligations of the State of New Mexico, its agencies, institutions, counties, municipalities or other subdivisions shall be par value.

See independent auditors' report

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value *Par Value at June 30, 2012	Location of Safekeeper
Washington Federal					
	FHLMC GOLD PC A94288	10/1/2040	312942XR1	<u>5,504,279</u>	Federal Home Loan Bank- Seattle WA
	Total Washington Federal			<u>5,504,279</u>	
Wells Fargo					
	FN AH0220	12/1/2025	3138A1G62	12,659	Wells Fargo Bank Northwest, NA
	FN AH1560	1/1/2041	3138A2WW5	194,871	Wells Fargo Bank Northwest, NA
	FN AH2340	1/1/2041	3138A3S65	9,449	Wells Fargo Bank Northwest, NA
	FN AH6292	4/1/2041	3138A77D2	184,268	Wells Fargo Bank Northwest, NA
	FN AH6438	2/1/2026	3138A8EL6	137,359	Wells Fargo Bank Northwest, NA
	FN AH8121	3/1/2026	3138AAAX9	324,772	Wells Fargo Bank Northwest, NA
	FN MA1027	4/1/2042	31418AD96	288,435	Wells Fargo Bank Northwest, NA
	FN AD7993	7/1/2040	31418V3B6	<u>8,650,770</u>	Wells Fargo Bank Northwest, NA
	Total Wells Fargo			<u>9,802,583</u>	
	Total Pledged Collateral			<u><u>\$ 53,160,417</u></u>	

STATE OF NEW MEXICO
 McKinley County
 Schedule of Deposit and Investment Accounts
 June 30, 2012

Bank Account Type/Name	US Bank	Pinnacle Bank	Washington Federal Bank	Wells Fargo Bank	Bank of Albuquerque
Certificate of Deposit	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Certificate of Deposit	1,502,736	-	-	-	-
Seizure	-	9,413	-	-	-
CDBG	-	528,729	-	-	-
Operational	-	15,346,835	-	-	-
Payroll Warrant Account	-	12,809	-	-	-
Accounts Payable Warrant Account	-	(142,009)	-	-	-
Certificate of Deposit	-	1,000,000	-	-	-
Certificate of Deposit	-	1,000,000	-	-	-
Certificate of Deposit	-	3,394,977	-	-	-
Certificate of Deposit	-	3,428,022	-	-	-
Certificate of Deposit	-	3,437,440	-	-	-
Certificate of Deposit	-	-	2,000,000	-	-
Certificate of Deposit	-	-	3,000,984	-	-
Savings	-	-	-	9,533,686	-
Trust Account (Bond Defeasement) **	-	-	-	-	499,697
State Treasurer Pool	-	-	-	-	-
Certificate of Deposit	-	-	-	-	-
Fedl Home Loan Bk	-	-	-	-	-
Fedl Home Loan Bk	-	-	-	-	-
Federal Farm Cr Bks Cons Bd	-	-	-	-	-
Fedl Home Loan Bk	-	-	-	-	-
Federal Farm Cr Bks Cons Bd	-	-	-	-	-
Fedl Home Loan Bk	-	-	-	-	-
Fedl Home Loan Bk	-	-	-	-	-
Fedl Home Loan Bk Call step	-	-	-	-	-
Total	2,502,736	28,016,216	5,000,984	9,533,686	499,697
Reconciling items	-	(902,107)	-	-	-
Reconciled balance	\$ 2,502,736	\$ 27,114,109	\$ 5,000,984	\$ 9,533,686	\$ 499,697

Petty cash

Less: investments per Exhibit A-1

Less: restricted cash and cash equivalents per Exhibit A-1

Less: agency funds cash per Exhibit D-1

Less: agency funds investment per Exhibit D-1

Total unrestricted cash and cash equivalents per Exhibit A-1

**Accounts are U.S. Treasury MMA Mutual Funds

LGIP	First Financial Credit Union	National Financial Services Corp.	Totals
\$ -	\$ -	\$ -	\$ 1,000,000
-	-	-	1,502,736
-	-	-	9,413
-	-	-	528,729
-	-	-	15,346,835
-	-	-	12,809
-	-	-	(142,009)
-	-	-	1,000,000
-	-	-	1,000,000
-	-	-	3,394,977
-	-	-	3,428,022
-	-	-	3,437,440
-	-	-	2,000,000
-	-	-	3,000,984
-	-	-	9,533,686
-	-	-	499,697
2,935	-	-	2,935
-	99,218	-	99,218
-	-	3,000,120	3,000,120
-	-	2,406,168	2,406,168
-	-	2,997,000	2,997,000
-	-	3,003,540	3,003,540
-	-	999,460	999,460
-	-	3,004,230	3,004,230
-	-	2,001,320	2,001,320
-	-	3,001,170	3,001,170
2,935	99,218	20,413,008	66,068,480
-	-	-	(902,107)
<u>\$ 2,935</u>	<u>\$ 99,218</u>	<u>\$ 20,413,008</u>	65,166,373
			1,100
			(40,276,385)
			(876,697)
			(1,229,937)
			(2,935)
			<u>\$ 22,781,519</u>

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STATE OF NEW MEXICO
 McKinley County
 Reconciliation of Property Tax Rolls
 For the Year Ended June 30, 2012

Schedule III

Property taxes receivable, beginning of year	\$	3,131,218
Changes to tax roll:		
Net tax charges to treasurer for fiscal year		25,116,086
Adjustments:		
Net decrease in taxes receivable		<u>112,286</u>
Total receivable prior to collections		28,359,590
Collections for fiscal year ended June 30, 2012		<u>(26,190,626)</u>
Property taxes receivable, end of year	\$	<u><u>2,168,964</u></u>
Property taxes receivable are reported as follows:		
General Fund	\$	553,341
Debt Service Fund		5,241
Agency Funds		<u>1,610,382</u>
Total property taxes receivable	\$	<u><u>2,168,964</u></u>

Property taxes receivable by year:

2002	\$	22,939
2003		16,423
2004		18,468
2005		15,350
2006		14,507
2007		24,889
2008		56,815
2009		228,459
2010		590,251
2011		<u>1,180,863</u>
Total property taxes receivable	\$	<u><u>2,168,964</u></u>

See independent auditors' report

STATE OF NEW MEXICO
McKinley County
McKinley County Treasurer Property Tax Schedule
For the Year Ended June 30, 2012

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
001 STATE DEBT SERVICE							
STATE DEBT SERVICE 2002	\$ 209,189	\$ 209,132	\$ 30	\$ 209,162	\$ 43	\$ 43	\$ 27
STATE DEBT SERVICE 2003	296,224	296,144	17	296,161	39	39	63
STATE DEBT SERVICE 2004	204,484	204,354	57	204,411	77	77	73
STATE DEBT SERVICE 2005	261,314	261,141	55	261,196	98	98	118
STATE DEBT SERVICE 2006	282,679	282,456	107	282,563	172	172	116
STATE DEBT SERVICE 2007	288,873	288,248	240	288,488	403	403	385
STATE DEBT SERVICE 2008	303,709	299,903	2,906	302,809	4,589	4,589	900
STATE DEBT SERVICE 2009	295,556	284,885	6,911	291,796	6,414	6,414	3,760
STATE DEBT SERVICE 2010	1,125,436	1,012,244	87,082	1,099,326	100,211	100,211	26,110
STATE DEBT SERVICE 2011	1,037,834	-	989,733	989,733	970,348	970,348	48,101
Total	\$ 4,305,298	\$ 3,138,507	\$ 1,087,138	\$ 4,225,645	\$ 1,082,394	\$ 1,082,394	\$ 79,653
002 COUNTY OPERATIONAL- RES							
COUNTY OPERATIONAL - RES 2002	\$ 970,500	\$ 970,237	\$ 141	\$ 970,378	\$ 246	\$ 246	\$ 122
COUNTY OPERATIONAL - RES 2003	993,910	993,641	58	993,699	178	178	211
COUNTY OPERATIONAL - RES 2004	1,037,343	1,036,677	290	1,036,967	474	474	376
COUNTY OPERATIONAL - RES 2005	1,083,797	1,083,081	225	1,083,306	536	536	491
COUNTY OPERATIONAL - RES 2006	1,151,517	1,150,609	434	1,151,043	852	852	474
COUNTY OPERATIONAL - RES 2007	1,232,383	1,229,716	1,026	1,230,742	2,192	2,192	1,641
COUNTY OPERATIONAL - RES 2008	1,303,034	1,286,702	12,470	1,299,172	19,688	19,688	3,862
COUNTY OPERATIONAL - RES 2009	1,396,570	1,346,142	32,657	1,378,799	30,310	30,310	17,771
COUNTY OPERATIONAL - RES 2010	1,413,003	1,313,442	51,394	1,364,836	76,775	76,775	48,167
COUNTY OPERATIONAL - RES 2011	1,450,671	-	1,347,162	1,347,162	1,318,922	1,318,922	103,509
Total	\$ 12,032,728	\$ 10,410,247	\$ 1,445,857	\$ 11,856,104	\$ 1,450,173	\$ 1,450,173	\$ 176,624
003 COUNTY DEBT SERVICE							
COUNTY DEBT SERVICE 2002	\$ 231,542	\$ 231,479	\$ 33	\$ 231,512	\$ 47	\$ 47	\$ 30
COUNTY DEBT SERVICE 2003	23,581	23,575	1	23,576	3	3	5
COUNTY DEBT SERVICE 2004	496,691	496,373	138	496,511	187	187	180
COUNTY DEBT SERVICE 2005	248,819	248,656	51	248,707	93	93	112
COUNTY DEBT SERVICE 2006	254,651	254,451	96	254,547	155	155	104
COUNTY DEBT SERVICE 2007	250,546	250,004	208	250,212	350	350	334
COUNTY DEBT SERVICE 2008	197,532	195,057	1,890	196,947	2,985	2,985	585
COUNTY DEBT SERVICE 2009	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2010	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2011	-	-	-	-	-	-	-
Total	\$ 1,703,362	\$ 1,699,595	\$ 2,417	\$ 1,702,012	\$ 3,820	\$ 3,820	\$ 1,350

See independent auditors' report

STATE OF NEW MEXICO
McKinley County
McKinley County Treasurer Property Tax Schedule
For the Year Ended June 30, 2012

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
004 GALLUP MUNICIPAL OPERATIONAL - RES							
GALLUP MUNICIPAL OPERATIONAL - RES 2002	\$ 706,769	\$ 706,655	\$ 92	\$ 706,747	\$ 113	\$ 113	\$ 22
GALLUP MUNICIPAL OPERATIONAL - RES 2003	724,622	724,510	8	724,518	44	44	104
GALLUP MUNICIPAL OPERATIONAL - RES 2004	755,930	755,586	137	755,723	180	180	207
GALLUP MUNICIPAL OPERATIONAL - RES 2005	790,010	789,645	178	789,823	270	270	187
GALLUP MUNICIPAL OPERATIONAL - RES 2006	838,926	838,421	317	838,738	469	469	188
GALLUP MUNICIPAL OPERATIONAL - RES 2007	897,389	895,774	572	896,346	916	916	1,043
GALLUP MUNICIPAL OPERATIONAL - RES 2008	949,682	940,568	6,864	947,432	11,944	11,944	2,250
GALLUP MUNICIPAL OPERATIONAL - RES 2009	1,019,128	988,209	20,265	1,008,474	18,545	18,545	10,654
GALLUP MUNICIPAL OPERATIONAL - RES 2010	1,030,435	972,701	30,332	1,003,033	46,917	46,917	27,402
GALLUP MUNICIPAL OPERATIONAL - RES 2011	1,057,571		998,319	998,319	978,541	978,541	59,252
Total	\$ 8,770,462	\$ 7,612,069	\$ 1,057,084	\$ 8,669,153	\$ 1,057,939	\$ 1,057,939	\$ 101,309
005 GALLUP MUNICIPAL DEBT SERVICE							
GALLUP MUNICIPAL DEBT SERVICE 2002	\$ 173,971	\$ 173,944	\$ 22	\$ 173,966	\$ 28	\$ 28	\$ 5
GALLUP MUNICIPAL DEBT SERVICE 2003	334,051	333,999	5	334,004	20	20	47
GALLUP MUNICIPAL DEBT SERVICE 2004	346,299	346,141	63	346,204	81	81	95
GALLUP MUNICIPAL DEBT SERVICE 2005	368,063	367,893	84	367,977	124	124	86
GALLUP MUNICIPAL DEBT SERVICE 2006	235,784	235,641	90	235,731	125	125	53
GALLUP MUNICIPAL DEBT SERVICE 2007	404,805	404,077	258	404,335	397	397	470
GALLUP MUNICIPAL DEBT SERVICE 2008	416,002	412,009	3,007	415,016	5,232	5,232	986
GALLUP MUNICIPAL DEBT SERVICE 2009	440,596	427,230	8,761	435,991	8,017	8,017	4,605
GALLUP MUNICIPAL DEBT SERVICE 2010	441,189	416,470	12,987	429,457	20,088	20,088	11,732
GALLUP MUNICIPAL DEBT SERVICE 2011	284,839		268,881	268,881	263,554	263,554	15,958
Total	\$ 3,445,599	\$ 3,117,404	\$ 294,158	\$ 3,411,562	\$ 297,666	\$ 297,666	\$ 34,037
006 SCHOOLD DISTRICT OPERATIONAL - RES							
SCHOOL DISTRICT OPERATIONAL - RES 2002	\$ 44,511	\$ 44,499	\$ 7	\$ 44,506	\$ 11	\$ 11	\$ 5
SCHOOL DISTRICT OPERATIONAL - RES 2003	45,596	45,583	2	45,585	8	8	11
SCHOOL DISTRICT OPERATIONAL - RES 2004	47,537	47,506	14	47,520	21	21	17
SCHOOL DISTRICT OPERATIONAL - RES 2005	49,759	49,726	11	49,737	24	24	22
SCHOOL DISTRICT OPERATIONAL - RES 2006	52,765	52,723	20	52,743	38	38	22
SCHOOL DISTRICT OPERATIONAL - RES 2007	56,540	56,417	47	56,464	97	97	76
SCHOOL DISTRICT OPERATIONAL - RES 2008	59,765	59,016	572	59,588	903	903	177
SCHOOL DISTRICT OPERATIONAL - RES 2009	63,991	61,680	1,496	63,176	1,389	1,389	815
SCHOOL DISTRICT OPERATIONAL - RES 2010	64,766	60,201	2,356	62,557	3,519	3,519	2,209
SCHOOL DISTRICT OPERATIONAL - RES 2011	66,437		61,696	61,696	60,404	60,404	4,741
Total	\$ 551,667	\$ 477,351	\$ 66,221	\$ 543,572	\$ 66,414	\$ 66,414	\$ 8,095

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STATE OF NEW MEXICO
McKinley County
McKinley County Treasurer Property Tax Schedule
For the Year Ended June 30, 2012

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
007 SCHOOL DISTRICT DEBT SERVICE							
SCHOOL DISTRICT DEBT SERVICE 2002	\$ 1,504,635	\$ 1,504,227	\$ 219	\$ 1,504,446	\$ 308	\$ 308	\$ 189
SCHOOL DISTRICT DEBT SERVICE 2003	1,565,616	1,565,194	91	1,565,285	204	204	331
SCHOOL DISTRICT DEBT SERVICE 2004	1,602,730	1,601,702	447	1,602,149	604	604	581
SCHOOL DISTRICT DEBT SERVICE 2005	1,718,493	1,717,356	357	1,717,713	645	645	780
SCHOOL DISTRICT DEBT SERVICE 2006	1,775,613	1,774,214	669	1,774,883	1,080	1,080	730
SCHOOL DISTRICT DEBT SERVICE 2007	1,919,276	1,915,122	1,597	1,916,719	2,678	2,678	2,557
SCHOOL DISTRICT DEBT SERVICE 2008	2,028,858	2,003,428	19,416	2,022,844	30,657	30,657	6,014
SCHOOL DISTRICT DEBT SERVICE 2009	2,147,144	2,069,609	50,213	2,119,822	46,603	46,603	27,322
SCHOOL DISTRICT DEBT SERVICE 2010	2,168,073	2,015,299	78,862	2,094,161	117,809	117,809	73,912
SCHOOL DISTRICT DEBT SERVICE 2011	2,193,995		2,037,438	2,037,438	1,994,776	1,994,776	156,557
Total	\$ 18,624,433	\$ 16,166,151	\$ 2,189,309	\$ 18,355,460	\$ 2,195,364	\$ 2,195,364	\$ 268,973
008 SCHOOL DIST. CAP. IMPROVEMENT - RES							
SCHOOL DIST. CAP. IMPROVEMENT 2002	\$ 372,480	\$ 372,380	\$ 54	\$ 372,434	\$ 76	\$ 76	\$ 46
SCHOOL DIST. CAP. IMPROVEMENT 2003	381,515	381,413	22	381,435	50	50	80
SCHOOL DIST. CAP. IMPROVEMENT 2004	397,798	397,543	111	397,654	150	150	144
SCHOOL DIST. CAP. IMPROVEMENT 2005	415,648	415,373	87	415,460	157	157	188
SCHOOL DIST. CAP. IMPROVEMENT 2006	437,882	437,537	165	437,702	266	266	180
SCHOOL DIST. CAP. IMPROVEMENT 2007	468,641	467,627	390	468,017	655	655	624
SCHOOL DIST. CAP. IMPROVEMENT 2008	485,896	479,806	4,650	484,456	7,342	7,342	1,440
SCHOOL DIST. CAP. IMPROVEMENT 2009	513,978	495,418	12,020	507,438	11,156	11,156	6,540
SCHOOL DIST. CAP. IMPROVEMENT 2010	518,120	481,611	18,846	500,457	28,154	28,154	17,663
SCHOOL DIST. CAP. IMPROVEMENT 2011	525,194		487,717	487,717	477,505	477,505	37,477
Total	\$ 4,517,152	\$ 3,928,708	\$ 524,062	\$ 4,452,770	\$ 525,511	\$ 525,511	\$ 64,382
009 GALLUP BRANCH COLLEGE - RES							
GALLUP BRANCH COLLEGE - RES 2002	\$ 127,599	\$ 127,565	\$ 18	\$ 127,583	\$ 28	\$ 28	\$ 16
GALLUP BRANCH COLLEGE - RES 2003	130,767	130,732	8	130,740	19	19	27
GALLUP BRANCH COLLEGE - RES 2004	136,455	136,368	38	136,406	55	55	49
GALLUP BRANCH COLLEGE - RES 2005	423,523	423,244	88	423,332	159	159	191
GALLUP BRANCH COLLEGE - RES 2006	437,923	437,577	165	437,742	266	266	181
GALLUP BRANCH COLLEGE - RES 2007	468,679	467,665	390	468,055	655	655	624
GALLUP BRANCH COLLEGE - RES 2008	485,935	479,844	4,650	484,494	7,342	7,342	1,441
GALLUP BRANCH COLLEGE - RES 2009	514,012	495,451	12,020	507,471	11,156	11,156	6,541
GALLUP BRANCH COLLEGE - RES 2010	518,152	481,644	18,846	500,490	28,154	28,154	17,662
GALLUP BRANCH COLLEGE - RES 2011	525,225		487,749	487,749	477,524	477,524	37,476
Total	\$ 3,768,270	\$ 3,180,090	\$ 523,972	\$ 3,704,062	\$ 525,358	\$ 525,358	\$ 64,208

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STATE OF NEW MEXICO
McKinley County
McKinley County Treasurer Property Tax Schedule
For the Year Ended June 30, 2012

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
010 GALLUP BRANCH DEBT SERVICE							
GALLUP BRANCH DEBT SERVICE 2002	\$ 372,553	\$ 372,452	\$ 54	\$ 372,506	\$ 76	\$ 76	\$ 47
GALLUP BRANCH DEBT SERVICE 2003	389,768	389,663	23	389,686	51	51	82
GALLUP BRANCH DEBT SERVICE 2004	397,830	397,575	111	397,686	150	150	144
GALLUP BRANCH DEBT SERVICE 2005	635,286	634,866	132	634,998	239	239	288
GALLUP BRANCH DEBT SERVICE 2006	437,923	437,577	165	437,742	266	266	181
GALLUP BRANCH DEBT SERVICE 2007	473,174	472,151	393	472,544	660	660	630
GALLUP BRANCH DEBT SERVICE 2008	485,935	479,844	4,650	484,494	7,342	7,342	1,441
GALLUP BRANCH DEBT SERVICE 2009	642,515	619,314	15,025	634,339	13,944	13,944	8,176
GALLUP BRANCH DEBT SERVICE 2010	647,692	602,055	23,557	625,612	35,192	35,192	22,080
GALLUP BRANCH DEBT SERVICE 2011	656,532		609,686	609,686	596,905	596,905	46,846
Total	\$ 5,139,208	\$ 4,405,497	\$ 653,796	\$ 5,059,293	\$ 654,825	\$ 654,825	\$ 79,915
011 REHOBOTH CHRISTIAN HOSPITAL - RES							
REHOBOTH CHRISTIAN HOSPITAL 2002	\$ 186,276	\$ 186,226	\$ 27	\$ 186,253	\$ 38	\$ 38	\$ 23
REHOBOTH CHRISTIAN HOSPITAL 2003	190,791	190,740	11	190,751	25	25	40
REHOBOTH CHRISTIAN HOSPITAL 2004	397,830	397,575	111	397,686	150	150	144
REHOBOTH CHRISTIAN HOSPITAL 2005	423,523	423,244	88	423,332	159	159	191
REHOBOTH CHRISTIAN HOSPITAL 2006	437,923	437,577	165	437,742	266	266	181
REHOBOTH CHRISTIAN HOSPITAL 2007	468,679	467,665	390	468,055	655	655	624
REHOBOTH CHRISTIAN HOSPITAL 2008	485,935	479,844	4,650	484,494	7,342	7,342	1,441
REHOBOTH CHRISTIAN HOSPITAL 2009	514,012	495,451	12,020	507,471	11,156	11,156	6,541
REHOBOTH CHRISTIAN HOSPITAL 2010	518,152	481,644	18,846	500,490	28,154	28,154	17,662
REHOBOTH CHRISTIAN HOSPITAL 2011	525,225		487,749	487,749	477,524	477,524	37,476
Total	\$ 4,148,346	\$ 3,559,966	\$ 524,057	\$ 4,084,023	\$ 525,469	\$ 525,469	\$ 64,323
012 UNM - GALLUP SPECIAL VOCATIONAL - RES							
UNM - GALLUP SPECIAL VOCATIONAL 2002	\$ 127,599	\$ 127,565	\$ 18	\$ 127,583	\$ 28	\$ 28	\$ 16
UNM - GALLUP SPECIAL VOCATIONAL 2003	130,767	130,732	8	130,740	19	19	27
UNM - GALLUP SPECIAL VOCATIONAL 2004	136,455	136,368	38	136,406	55	55	49
UNM - GALLUP SPECIAL VOCATIONAL 2005	211,762	211,622	44	211,666	80	80	96
UNM - GALLUP SPECIAL VOCATIONAL 2006	218,962	218,789	82	218,871	133	133	91
UNM - GALLUP SPECIAL VOCATIONAL 2007	234,458	233,951	195	234,146	328	328	312
UNM - GALLUP SPECIAL VOCATIONAL 2008	242,967	239,922	2,325	242,247	3,671	3,671	720
UNM - GALLUP SPECIAL VOCATIONAL 2009	257,006	247,726	6,010	253,736	5,578	5,578	3,270
UNM - GALLUP SPECIAL VOCATIONAL 2010	259,077	240,822	9,423	250,245	14,077	14,077	8,832
UNM - GALLUP SPECIAL VOCATIONAL 2011	262,612		243,874	243,874	238,762	238,762	18,738
Total	\$ 2,081,665	\$ 1,787,497	\$ 262,017	\$ 2,049,514	\$ 262,731	\$ 262,731	\$ 32,151

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STATE OF NEW MEXICO
McKinley County
McKinley County Treasurer Property Tax Schedule
For the Year Ended June 30, 2012

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
013 ZUNI SCHOOL DISTRICT OPERATIONAL - RES							
ZUNI SCHOOL DISTRICT OPERATIONAL 2002	\$ 12	\$ 12	\$ -	\$ 12	\$ -	\$ -	\$ -
ZUNI SCHOOL DISTRICT OPERATIONAL 2003	13	13	-	13	-	-	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2004	8	8	-	8	-	-	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2005	10	10	-	10	-	-	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2006	10	10	-	10	-	-	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2007	10	10	-	10	-	-	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2008	10	10	-	10	-	-	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2009	8	8	-	8	-	-	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2010	8	8	-	8	-	-	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2011	8	8	8	8	5	5	-
Total	\$ 97	\$ 89	\$ 8	\$ 97	\$ 5	\$ 5	\$ -
014 ZUNI SCHOOL DISTRICT DEBT SERV - RES							
ZUNI SCHOOL DISTRICT DEBT SERVICE 2002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ZUNI SCHOOL DISTRICT DEBT SERVICE 2003	36	36	-	36	-	-	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2004	48	48	-	48	-	-	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2005	56	56	-	56	-	-	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2006	59	59	-	59	-	-	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2007	59	59	-	59	-	-	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2008	53	53	-	53	-	-	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2009	84	83	-	83	-	-	1
ZUNI SCHOOL DISTRICT DEBT SERVICE 2010	96	96	-	96	-	-	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2011	56	56	56	56	34	34	-
Total	\$ 511	\$ 490	\$ 56	\$ 546	\$ 34	\$ 34	\$ 1
015 ZUNI SCHOOL DIST CAP IMPROV - RES							
ZUNI SCHOOL DIST CAPITAL IMPROV. 2002	\$ 72	\$ 72	\$ -	\$ 72	\$ -	\$ -	\$ -
ZUNI SCHOOL DIST CAPITAL IMPROV. 2003	69	69	-	69	-	-	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2004	32	32	-	32	-	-	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2005	41	41	-	41	-	-	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2006	40	40	-	40	-	-	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2007	39	39	-	39	-	-	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2008	39	39	-	39	-	-	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2009	33	33	-	33	-	-	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2010	33	33	-	33	-	-	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2011	32	32	32	32	19	19	-
Total	\$ 430	\$ 398	\$ 32	\$ 430	\$ 19	\$ 19	\$ -

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STATE OF NEW MEXICO
McKinley County
McKinley County Treasurer Property Tax Schedule
For the Year Ended June 30, 2012

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
019 ZUNI SCHOOL DIST EDUC. TECH - RES							
ZUNI SCHOOL DIST EDUC TECH. 2002	\$ 467	\$ 467	\$ -	\$ 467	\$ -	\$ -	\$ -
ZUNI SCHOOL DIST EDUC TECH. 2003	474	474	-	474	-	-	-
ZUNI SCHOOL DIST EDUC TECH. 2004	372	372	-	372	-	-	-
ZUNI SCHOOL DIST EDUC TECH. 2005	300	300	-	300	-	-	-
ZUNI SCHOOL DIST EDUC TECH. 2006	-	-	-	-	-	-	-
ZUNI SCHOOL DIST EDUC TECH. 2007	262	262	-	262	-	-	-
ZUNI SCHOOL DIST EDUC TECH. 2008	172	172	-	172	-	-	-
ZUNI SCHOOL DIST EDUC TECH. 2009	149	149	-	149	-	-	-
ZUNI SCHOOL DIST EDUC TECH. 2010	151	151	-	151	-	-	-
ZUNI SCHOOL DIST EDUC TECH. 2011	382	382	382	382	235	235	-
Total	\$ 2,729	\$ 2,347	\$ 382	\$ 2,729	\$ 235	\$ 235	\$ -
022 COUNTY OPERATIONAL - NON RES							
COUNTY OPERATIONAL - NON RES 2002	\$ 4,698,124	\$ 4,690,760	\$ 16	\$ 4,690,776	\$ -	\$ -	\$ 7,348
COUNTY OPERATIONAL - NON RES 2003	4,496,423	4,490,776	26	4,490,802	-	-	5,621
COUNTY OPERATIONAL - NON RES 2004	4,352,043	4,346,680	97	4,346,777	-	-	5,266
COUNTY OPERATIONAL - NON RES 2005	4,781,718	4,777,609	254	4,777,863	-	-	3,855
COUNTY OPERATIONAL - NON RES 2006	4,923,287	4,919,111	139	4,919,250	-	-	4,037
COUNTY OPERATIONAL - NON RES 2007	5,320,003	5,314,439	686	5,315,125	-	-	4,878
COUNTY OPERATIONAL - NON RES 2008	5,287,639	5,272,132	4,661	5,276,793	13,394	13,394	10,846
COUNTY OPERATIONAL - NON RES 2009	5,735,570	5,647,850	47,652	5,695,502	46,019	46,019	40,068
COUNTY OPERATIONAL - NON RES 2010	5,646,554	4,986,191	562,794	5,548,985	609,335	609,335	97,569
COUNTY OPERATIONAL - NON RES 2011	5,917,649	5,917,649	5,721,206	5,721,206	5,613,122	5,613,122	196,443
Total	\$ 51,159,010	\$ 44,445,548	\$ 6,337,531	\$ 50,783,079	\$ 6,281,870	\$ 6,281,870	\$ 375,931
024 GALLUP MUNICIPAL OPERATIONAL - NON RES							
GALLUP MUNICIPAL OPERATIONAL NON RES 2002	\$ 873,369	\$ 870,415	\$ 3	\$ 870,418	\$ -	\$ -	\$ 2,951
GALLUP MUNICIPAL OPERATIONAL NON RES 2003	861,455	860,642	9	860,651	-	-	804
GALLUP MUNICIPAL OPERATIONAL NON RES 2004	873,943	873,107	15	873,122	-	-	821
GALLUP MUNICIPAL OPERATIONAL NON RES 2005	964,468	963,458	14	963,472	-	-	996
GALLUP MUNICIPAL OPERATIONAL NON RES 2006	1,019,499	1,018,428	15	1,018,443	-	-	1,056
GALLUP MUNICIPAL OPERATIONAL NON RES 2007	1,113,209	1,111,632	113	1,111,745	-	-	1,464
GALLUP MUNICIPAL OPERATIONAL NON RES 2008	1,180,961	1,175,207	1,112	1,176,319	5,259	5,259	4,642
GALLUP MUNICIPAL OPERATIONAL NON RES 2009	1,168,790	1,124,975	23,905	1,148,880	22,536	22,536	19,910
GALLUP MUNICIPAL OPERATIONAL NON RES 2010	1,163,857	1,085,724	27,452	1,113,176	46,321	46,321	50,681
GALLUP MUNICIPAL OPERATIONAL NON RES 2011	1,148,846	1,148,846	1,059,791	1,059,791	1,047,894	1,047,894	89,055
Total	\$ 10,368,397	\$ 9,083,588	\$ 1,112,429	\$ 10,196,017	\$ 1,122,010	\$ 1,122,010	\$ 172,380

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McKinley County
McKinley County Treasurer Property Tax Schedule
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Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
026 SCHOOL DISTRICT OPERATIONAL - NON RES							
SCHOOL DISTRICT OPERATIONAL - NON RES 2002	\$ 196,802	\$ 196,516	\$ 1	\$ 196,517	\$ -	\$ -	\$ 285
SCHOOL DISTRICT OPERATIONAL - NON RES 2003	188,474	188,262	1	188,263	-	-	211
SCHOOL DISTRICT OPERATIONAL - NON RES 2004	182,490	182,289	4	182,293	-	-	197
SCHOOL DISTRICT OPERATIONAL - NON RES 2005	200,449	200,305	10	200,315	-	-	134
SCHOOL DISTRICT OPERATIONAL - NON RES 2006	206,443	206,296	5	206,301	-	-	142
SCHOOL DISTRICT OPERATIONAL - NON RES 2007	223,124	222,919	29	222,948	-	-	176
SCHOOL DISTRICT OPERATIONAL - NON RES 2008	221,754	221,129	197	221,326	565	565	428
SCHOOL DISTRICT OPERATIONAL - NON RES 2009	240,713	237,069	1,984	239,053	1,915	1,915	1,660
SCHOOL DISTRICT OPERATIONAL - NON RES 2010	237,005	209,236	23,682	232,918	25,646	25,646	4,087
SCHOOL DISTRICT OPERATIONAL - NON RES 2011	248,533		240,274	240,274	235,713	235,713	8,259
Total	\$ 2,145,787	\$ 1,864,021	\$ 266,187	\$ 2,130,208	\$ 263,839	\$ 263,839	\$ 15,579
028 SCHOOL DIST CAP IMPROV - NON RES							
SCHOOL DIST CAP IMPROV - NON RES 2002	\$ 787,206	\$ 786,064	\$ 3	\$ 786,067	\$ -	\$ -	\$ 1,139
SCHOOL DIST CAP IMPROV - NON RES 2003	753,901	753,049	4	753,053	-	-	848
SCHOOL DIST CAP IMPROV - NON RES 2004	729,961	729,156	17	729,173	-	-	788
SCHOOL DIST CAP IMPROV - NON RES 2005	801,796	801,218	43	801,261	-	-	535
SCHOOL DIST CAP IMPROV - NON RES 2006	825,771	825,182	24	825,206	-	-	565
SCHOOL DIST CAP IMPROV - NON RES 2007	892,499	891,677	116	891,793	-	-	706
SCHOOL DIST CAP IMPROV - NON RES 2008	887,016	884,517	786	885,303	2,261	2,261	1,713
SCHOOL DIST CAP IMPROV - NON RES 2009	962,855	948,275	7,935	956,210	7,659	7,659	6,645
SCHOOL DIST CAP IMPROV - NON RES 2010	948,023	836,945	94,729	931,674	102,584	102,584	16,349
SCHOOL DIST CAP IMPROV - NON RES 2011	994,132		961,094	961,094	942,852	942,852	33,038
Total	\$ 8,583,160	\$ 7,456,083	\$ 1,064,751	\$ 8,520,834	\$ 1,055,356	\$ 1,055,356	\$ 62,326
029 GALLUP BRANCH COLLEGE - NON RES							
GALLUP BRANCH COLLEGE - NON RES 2002	\$ 396,467	\$ 395,845	\$ 1	\$ 395,846	\$ -	\$ -	\$ 621
GALLUP BRANCH COLLEGE - NON RES 2003	379,446	378,969	2	378,971	-	-	475
GALLUP BRANCH COLLEGE - NON RES 2004	367,261	366,808	9	366,817	-	-	444
GALLUP BRANCH COLLEGE - NON RES 2005	807,041	806,347	43	806,390	-	-	651
GALLUP BRANCH COLLEGE - NON RES 2006	830,934	830,230	23	830,253	-	-	681
GALLUP BRANCH COLLEGE - NON RES 2007	897,890	896,952	116	897,068	-	-	822
GALLUP BRANCH COLLEGE - NON RES 2008	892,429	889,811	787	890,598	2,261	2,261	1,831
GALLUP BRANCH COLLEGE - NON RES 2009	968,029	953,224	8,042	961,266	7,767	7,767	6,763
GALLUP BRANCH COLLEGE - NON RES 2010	953,004	841,551	94,986	936,537	102,841	102,841	16,467
GALLUP BRANCH COLLEGE - NON RES 2011	998,760		965,604	965,604	947,362	947,362	33,156
Total	\$ 7,491,261	\$ 6,359,737	\$ 1,069,613	\$ 7,429,350	\$ 1,060,231	\$ 1,060,231	\$ 61,911

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Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
031 REOBOTH CHRISTIAN HOSPITAL - NON RES							
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2002	\$ 396,467	\$ 395,845	\$ 1	\$ 395,846	\$ -	\$ -	\$ 621
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2003	379,446	378,969	2	378,971	-	-	475
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2004	734,523	733,617	16	733,633	-	-	890
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2005	807,041	806,347	43	806,390	-	-	651
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2006	830,934	830,230	23	830,253	-	-	681
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2007	897,890	896,952	116	897,068	-	-	822
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2008	892,429	889,811	787	890,598	2,261	2,261	1,831
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2009	968,029	953,224	8,042	961,266	7,767	7,767	6,763
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2010	953,004	841,551	94,986	936,537	102,841	102,841	16,467
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2011	998,760		965,604	965,604	947,362	947,362	33,156
Total	\$ 7,858,523	\$ 6,726,546	\$ 1,069,620	\$ 7,796,166	\$ 1,060,231	\$ 1,060,231	\$ 62,357
032 UNM GALLUP SPECIAL VOCATIONAL NON - RES							
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2002	\$ 396,467	\$ 395,845	\$ 1	\$ 395,846	\$ -	\$ -	\$ 621
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2003	379,446	378,969	2	378,971	-	-	475
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2004	367,261	366,808	9	366,817	-	-	444
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2005	403,520	403,174	21	403,195	-	-	325
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2006	415,468	415,115	12	415,127	-	-	341
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2007	448,946	448,476	58	448,534	-	-	412
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2008	446,214	444,906	393	445,299	1,130	1,130	915
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2009	484,014	476,612	4,021	480,633	3,883	3,883	3,381
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2010	476,502	420,776	47,493	468,269	51,421	51,421	8,233
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2011	499,379		482,802	482,802	473,681	473,681	16,577
Total	\$ 4,317,217	\$ 3,750,681	\$ 534,812	\$ 4,285,493	\$ 530,115	\$ 530,115	\$ 31,724
061 RIO SAN JOSE FLOOD CONTROL - RES							
RIO SAN JOSE FLOOD CONTROL - RES 2002	\$ 1,563	\$ 1,562	\$ 1	\$ 1,563	\$ 1	\$ 1	\$ -
RIO SAN JOSE FLOOD CONTROL - RES 2003	1,489	1,488	1	1,489	1	1	-
RIO SAN JOSE FLOOD CONTROL - RES 2004	1,418	1,417	1	1,418	1	1	-
RIO SAN JOSE FLOOD CONTROL - RES 2005	1,666	1,665	1	1,666	1	1	-
RIO SAN JOSE FLOOD CONTROL - RES 2006	1,751	1,750	1	1,751	1	1	-
RIO SAN JOSE FLOOD CONTROL - RES 2007	2,052	2,051	1	2,052	10	10	-
RIO SAN JOSE FLOOD CONTROL - RES 2008	2,121	2,113	3	2,116	14	14	5
RIO SAN JOSE FLOOD CONTROL - RES 2009	2,258	2,152	56	2,208	72	72	50
RIO SAN JOSE FLOOD CONTROL - RES 2010	2,156	1,838	137	1,975	187	187	181
RIO SAN JOSE FLOOD CONTROL - RES 2011	2,117		1,843	1,843	1,795	1,795	274
Total	\$ 18,591	\$ 16,036	\$ 2,045	\$ 18,081	\$ 2,083	\$ 2,083	\$ 510

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Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
062 RIO SAN JOSE FLOOD CONTROL NON - RES							
RIO SAN JOSE FLOOD CONTROL NON - RES 2002	\$ 23,511	\$ 23,511	\$ -	\$ 23,511	\$ -	\$ -	\$ -
RIO SAN JOSE FLOOD CONTROL NON - RES 2003	23,738	23,738	-	23,738	-	-	-
RIO SAN JOSE FLOOD CONTROL NON - RES 2004	24,356	24,356	-	24,356	-	-	-
RIO SAN JOSE FLOOD CONTROL NON - RES 2005	23,373	23,372	-	23,372	-	-	1
RIO SAN JOSE FLOOD CONTROL NON - RES 2006	24,767	24,767	-	24,767	-	-	-
RIO SAN JOSE FLOOD CONTROL NON - RES 2007	26,136	26,129	5	26,134	-	-	2
RIO SAN JOSE FLOOD CONTROL NON - RES 2008	26,842	26,822	9	26,831	21	21	11
RIO SAN JOSE FLOOD CONTROL NON - RES 2009	23,078	22,970	67	23,037	64	64	41
RIO SAN JOSE FLOOD CONTROL NON - RES 2010	20,840	20,546	178	20,724	217	217	116
RIO SAN JOSE FLOOD CONTROL NON - RES 2011	21,817		21,525	21,525	21,481	21,481	292
Total	\$ 238,458	\$ 216,211	\$ 21,784	\$ 237,995	\$ 21,783	\$ 21,783	\$ 463
101 STATE DEBT SERVICE							
STATE DEBT SERVICE 2002	\$ 445,231	\$ 444,534	\$ 1	\$ 444,535	\$ -	\$ -	\$ 696
STATE DEBT SERVICE 2003	576,756	576,032	3	576,035	-	-	721
STATE DEBT SERVICE 2004	377,545	377,079	8	377,087	-	-	458
STATE DEBT SERVICE 2005	497,945	497,516	27	497,543	-	-	402
STATE DEBT SERVICE 2006	536,368	535,913	15	535,928	-	-	440
STATE DEBT SERVICE 2007	548,161	547,589	71	547,660	-	-	501
STATE DEBT SERVICE 2008	557,767	556,132	492	556,624	1,413	1,413	1,143
STATE DEBT SERVICE 2009	556,616	548,104	4,624	552,728	4,466	4,466	3,888
STATE DEBT SERVICE 2010	-	-	-	-	-	-	-
STATE DEBT SERVICE 2011	-	-	-	-	-	-	-
Total	\$ 4,096,389	\$ 4,082,899	\$ 5,241	\$ 4,088,140	\$ 5,879	\$ 5,879	\$ 8,249
103 COUNTY DEBT SERVICE							
COUNTY DEBT SERVICE 2002	\$ 492,807	\$ 492,035	\$ 2	\$ 492,037	\$ -	\$ -	\$ 770
COUNTY DEBT SERVICE 2003	45,913	45,855	-	45,855	-	-	58
COUNTY DEBT SERVICE 2004	917,050	915,921	20	915,941	-	-	1,109
COUNTY DEBT SERVICE 2005	474,136	473,729	25	473,754	-	-	382
COUNTY DEBT SERVICE 2006	483,188	482,779	13	482,792	-	-	396
COUNTY DEBT SERVICE 2007	475,433	474,936	61	474,997	-	-	436
COUNTY DEBT SERVICE 2008	362,772	361,708	320	362,028	919	919	744
COUNTY DEBT SERVICE 2009	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2010	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2011	-	-	-	-	-	-	-
Total	\$ 3,251,299	\$ 3,246,963	\$ 441	\$ 3,247,404	\$ 919	\$ 919	\$ 3,895

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105 GALLUP MUNICIPAL DEBT SERVICE							
GALLUP MUNICIPAL DEBT SERVICE 2002	\$ 135,057	\$ 134,601	\$ 1	\$ 134,602	\$ -	\$ -	\$ 455
GALLUP MUNICIPAL DEBT SERVICE 2003	244,923	244,692	3	244,695	-	-	228
GALLUP MUNICIPAL DEBT SERVICE 2004	253,614	253,372	4	253,376	-	-	238
GALLUP MUNICIPAL DEBT SERVICE 2005	286,168	285,870	4	285,874	-	-	294
GALLUP MUNICIPAL DEBT SERVICE 2006	184,842	184,648	3	184,651	-	-	191
GALLUP MUNICIPAL DEBT SERVICE 2007	335,344	334,869	34	334,903	-	-	441
GALLUP MUNICIPAL DEBT SERVICE 2008	342,709	341,040	323	341,363	1,526	1,526	1,346
GALLUP MUNICIPAL DEBT SERVICE 2009	339,178	326,463	6,937	333,400	6,540	6,540	5,778
GALLUP MUNICIPAL DEBT SERVICE 2010	337,747	315,073	7,966	323,039	13,442	13,442	14,708
GALLUP MUNICIPAL DEBT SERVICE 2011	212,349		195,888	195,888	193,689	193,689	16,461
Total	\$ 2,671,931	\$ 2,420,628	\$ 211,163	\$ 2,631,791	\$ 215,197	\$ 215,197	\$ 40,140
107 SCHOOL DISTRICT DEBT SERVICE							
SCHOOL DISTRICT DEBT SERVICE 2002	\$ 3,179,918	\$ 3,175,307	\$ 11	\$ 3,175,318	\$ -	\$ -	\$ 4,600
SCHOOL DISTRICT DEBT SERVICE 2003	3,028,796	3,025,373	18	3,025,391	-	-	3,405
SCHOOL DISTRICT DEBT SERVICE 2004	2,941,009	2,937,771	65	2,937,836	-	-	3,173
SCHOOL DISTRICT DEBT SERVICE 2005	3,253,688	3,251,343	174	3,251,517	-	-	2,171
SCHOOL DISTRICT DEBT SERVICE 2006	3,348,503	3,346,114	95	3,346,209	-	-	2,294
SCHOOL DISTRICT DEBT SERVICE 2007	3,620,422	3,617,089	469	3,617,558	-	-	2,864
SCHOOL DISTRICT DEBT SERVICE 2008	3,703,734	3,693,299	3,285	3,696,584	9,439	9,439	7,150
SCHOOL DISTRICT DEBT SERVICE 2009	4,022,326	3,961,420	33,148	3,994,568	31,997	31,997	27,758
SCHOOL DISTRICT DEBT SERVICE 2010	3,967,004	3,502,196	396,394	3,898,590	429,264	429,264	68,414
SCHOOL DISTRICT DEBT SERVICE 2011	4,152,988		4,014,972	4,014,972	3,938,766	3,938,766	138,016
Total	\$ 35,218,388	\$ 30,509,912	\$ 4,448,631	\$ 34,958,543	\$ 4,409,466	\$ 4,409,466	\$ 259,845
110 GALLUP BRANCH DEBT SERVICE							
GALLUP BRANCH DEBT SERVICE 2002	\$ 792,932	\$ 791,688	\$ 5	\$ 791,692	\$ -	\$ -	\$ 1,239
GALLUP BRANCH DEBT SERVICE 2003	758,890	757,938	5	757,941	-	-	947
GALLUP BRANCH DEBT SERVICE 2004	734,523	733,617	11	733,633	-	-	895
GALLUP BRANCH DEBT SERVICE 2005	1,210,562	1,209,521	59	1,209,586	-	-	982
GALLUP BRANCH DEBT SERVICE 2006	830,934	830,230	25	830,253	-	-	679
GALLUP BRANCH DEBT SERVICE 2007	897,890	896,952	108	897,068	-	-	830
GALLUP BRANCH DEBT SERVICE 2008	892,429	889,811	646	890,598	2,261	2,261	1,972
GALLUP BRANCH DEBT SERVICE 2009	1,210,035	1,191,530	9,934	1,201,583	9,709	9,709	8,571
GALLUP BRANCH DEBT SERVICE 2010	1,191,256	1,051,939	117,087	1,170,672	128,552	128,552	22,230
GALLUP BRANCH DEBT SERVICE 2011	1,248,450		1,205,719	1,207,006	1,184,203	1,184,203	42,731
Total	\$ 9,767,901	\$ 8,353,226	\$ 1,333,599	\$ 9,690,032	\$ 1,324,725	\$ 1,324,725	\$ 81,076

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Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
113 ZUNI SCHOOL DISTRICT OPER NON-RES							
ZUNI SCHOOL DISTRICT OPER NON - RES 2002	\$ 1,432	\$ 1,406	\$ -	\$ 1,406	\$ -	\$ -	\$ 26
ZUNI SCHOOL DISTRICT OPER NON - RES 2003	1,247	1,222	-	1,222	-	-	25
ZUNI SCHOOL DISTRICT OPER NON - RES 2004	1,140	1,115	-	1,115	-	-	25
ZUNI SCHOOL DISTRICT OPER NON - RES 2005	1,227	1,200	-	1,200	-	-	27
ZUNI SCHOOL DISTRICT OPER NON - RES 2006	1,291	1,262	-	1,262	-	-	29
ZUNI SCHOOL DISTRICT OPER NON - RES 2007	1,349	1,319	-	1,319	-	-	30
ZUNI SCHOOL DISTRICT OPER NON - RES 2008	1,353	1,324	-	1,324	-	-	29
ZUNI SCHOOL DISTRICT OPER NON - RES 2009	1,294	1,237	27	1,264	27	27	30
ZUNI SCHOOL DISTRICT OPER NON - RES 2010	1,246	1,152	64	1,216	64	64	30
ZUNI SCHOOL DISTRICT OPER NON - RES 2011	1,157		1,127	1,127	1,127	1,127	30
Total	\$ 12,736	\$ 11,237	\$ 1,218	\$ 12,455	\$ 1,218	\$ 1,218	\$ 281
114 ZUNI SCHOOL DISTRICT DEBT SERV NON-RES							
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2003	2,612	2,559	-	2,559	-	-	53
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2004	6,859	6,707	-	6,707	-	-	152
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2005	7,083	6,927	-	6,927	-	-	156
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2006	7,575	7,405	-	7,405	-	-	170
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2007	8,223	8,044	-	8,044	-	-	179
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2008	7,445	7,283	-	7,283	-	-	162
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2009	12,878	12,316	268	12,584	268	268	294
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2010	14,403	13,319	744	14,063	744	744	340
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2011	8,132		7,926	7,926	7,926	7,926	206
Total	\$ 72,598	\$ 64,560	\$ 8,938	\$ 73,498	\$ 8,938	\$ 8,938	\$ 1,712
115 ZUNI SCHOOL DIST CAP IMPROV NON-RES							
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2002	\$ 5,726	\$ 5,625	\$ -	\$ 5,625	\$ -	\$ -	\$ 101
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2003	4,990	4,888	-	4,888	-	-	102
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2004	4,562	4,461	-	4,461	-	-	101
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2005	4,917	4,809	-	4,809	-	-	108
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2006	5,162	5,047	-	5,047	-	-	115
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2007	5,392	5,275	-	5,275	-	-	117
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2008	5,413	5,295	-	5,295	-	-	118
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2009	5,173	4,948	108	5,056	108	108	117
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2010	4,981	4,606	257	4,863	257	257	118
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2011	4,627		4,510	4,510	4,510	4,510	117
Total	\$ 50,943	\$ 44,954	\$ 4,875	\$ 49,829	\$ 4,875	\$ 4,875	\$ 1,114

See independent auditors' report

STATE OF NEW MEXICO
McKinley County
McKinley County Treasurer Property Tax Schedule
For the Year Ended June 30, 2012

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
119 ZUNI SCHOOL DIST EDUC TECH NON-RES							
ZUNI SCHOOL DIST EDUC TECH NON - RES 2002	\$ 36,949	\$ 36,296	\$ -	\$ 36,296	\$ -	\$ -	\$ 653
ZUNI SCHOOL DIST EDUC TECH NON - RES 2003	34,237	33,543	-	33,543	-	-	694
ZUNI SCHOOL DIST EDUC TECH NON - RES 2004	53,074	51,896	-	51,896	-	-	1,178
ZUNI SCHOOL DIST EDUC TECH NON - RES 2005	38,240	37,398	-	37,398	-	-	842
ZUNI SCHOOL DIST EDUC TECH NON - RES 2006	-	-	-	-	-	-	-
ZUNI SCHOOL DIST EDUC TECH NON - RES 2007	36,543	35,748	-	35,748	-	-	795
ZUNI SCHOOL DIST EDUC TECH NON - RES 2008	24,000	23,476	-	23,476	-	-	524
ZUNI SCHOOL DIST EDUC TECH NON - RES 2009	23,166	22,156	482	22,638	482	482	528
ZUNI SCHOOL DIST EDUC TECH NON - RES 2010	22,592	20,892	1,166	22,058	1,166	1,166	534
ZUNI SCHOOL DIST EDUC TECH NON - RES 2011	55,814		54,402	54,402	54,402	54,402	1,412
Total	\$ 324,615	\$ 261,405	\$ 56,050	\$ 317,455	\$ 56,050	\$ 56,050	\$ 7,160
951 CATTLE INDEMNITY							
CATTLE INDEMNITY 2002	\$ 9,991	\$ 9,954	\$ -	\$ 9,954	\$ -	\$ -	\$ 37
CATTLE INDEMNITY 2003	10,983	10,947	-	10,947	-	-	36
CATTLE INDEMNITY 2004	11,454	11,454	-	11,454	-	-	-
CATTLE INDEMNITY 2005	13,747	13,659	-	13,659	-	-	88
CATTLE INDEMNITY 2006	18,691	18,502	-	18,502	-	-	189
CATTLE INDEMNITY 2007	18,959	18,865	-	18,865	-	-	94
CATTLE INDEMNITY 2008	12,501	12,354	-	12,354	18	18	147
CATTLE INDEMNITY 2009	13,328	12,883	230	13,113	234	234	215
CATTLE INDEMNITY 2010	13,495	12,927	311	13,238	369	369	257
CATTLE INDEMNITY 2011	15,328		9,913	9,913	9,857	9,857	5,415
Total	\$ 138,477	\$ 121,545	\$ 10,454	\$ 131,999	\$ 10,478	\$ 10,478	\$ 6,478
952 SHEEP							
SHEEP 2002	\$ 262	\$ 262	\$ -	\$ 262	\$ -	\$ -	\$ -
SHEEP 2003	216	216	-	216	-	-	-
SHEEP 2004	247	247	-	247	-	-	-
SHEEP 2005	282	282	-	282	-	-	-
SHEEP 2006	176	176	-	176	-	-	-
SHEEP 2007	145	145	-	145	-	-	-
SHEEP 2008	145	144	-	144	-	-	1
SHEEP 2009	94	92	1	93	-	-	1
SHEEP 2010	94	90	3	93	3	3	1
SHEEP 2011	155		140	140	140	140	15
Total	\$ 1,816	\$ 1,654	\$ 144	\$ 1,798	\$ 143	\$ 143	\$ 18

See independent auditors' report

STATE OF NEW MEXICO
McKinley County
McKinley County Treasurer Property Tax Schedule
For the Year Ended June 30, 2012

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
953 GOATS							
GOATS 2002	\$ 38	\$ 38	\$ -	\$ 38	\$ -	\$ -	\$ -
GOATS 2003	30	30	-	30	-	-	-
GOATS 2004	28	28	-	28	-	-	-
GOATS 2005	32	32	-	32	-	-	-
GOATS 2006	16	16	-	16	-	-	-
GOATS 2007	19	19	-	19	-	-	-
GOATS 2008	59	59	-	59	-	-	-
GOATS 2009	17	15	1	16	1	1	1
GOATS 2010	15	15	-	20	4	4	-
GOATS 2011	25		20	20	16	16	5
Total	\$ 279	\$ 252	\$ 21	\$ 278	\$ 21	\$ 21	\$ 6
955 HOGS							
HOGS 2002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HOGS 2003	1	1	-	1	-	-	-
HOGS 2004	-	-	-	-	-	-	-
HOGS 2005	-	-	-	-	-	-	-
HOGS 2006	-	-	-	-	-	-	-
HOGS 2007	-	-	-	-	-	-	-
HOGS 2008	2	2	-	2	-	-	-
HOGS 2009	-	-	-	-	-	-	-
HOGS 2010	1	-	-	-	-	-	1
HOGS 2011	-	-	-	-	-	-	-
Total	\$ 4	\$ 3	\$ -	\$ 3	\$ -	\$ -	\$ 1
956 DAIRY							
DAIRY 2002	\$ 64	\$ 64	\$ -	\$ 64	\$ -	\$ -	\$ -
DAIRY 2003	21	21	-	20	-	-	1
DAIRY 2004	26	26	-	26	-	-	-
DAIRY 2005	21	21	-	21	-	-	-
DAIRY 2006	14	14	-	14	-	-	-
DAIRY 2007	8	8	-	8	-	-	-
DAIRY 2008	-	-	-	-	-	-	-
DAIRY 2009	-	-	-	-	-	-	-
DAIRY 2010	11	-	-	-	-	-	11
DAIRY 2011	12		2	2	2	2	10
Total	\$ 177	\$ 154	\$ 2	\$ 155	\$ 2	\$ 2	\$ 22

See independent auditors' report

STATE OF NEW MEXICO
McKinley County
McKinley County Treasurer Property Tax Schedule
For the Year Ended June 30, 2012

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
957 BISON							
BISON 2002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BISON 2003	34	34	-	34	-	-	-
BISON 2004	40	40	-	40	-	-	-
BISON 2005	-	-	-	-	-	-	-
BISON 2006	-	-	-	-	-	-	-
BISON 2007	-	-	-	-	-	-	-
BISON 2008	-	-	-	-	-	-	-
BISON 2009	-	-	-	-	-	-	-
BISON 2010	-	-	-	-	-	-	-
BISON 2011	-	-	-	-	-	-	-
Total	\$ 40	\$ 74	\$ -	\$ 74	\$ -	\$ -	\$ -
980 DCLPEN							
DCLPEN 2002	\$ 6,727	\$ 6,499	\$ -	\$ 6,499	\$ -	\$ -	\$ 228
DCLPEN 2003	751	535	-	535	-	-	216
DCLPEN 2004	907	677	-	677	-	-	230
DCLPEN 2005	213	213	-	213	-	-	-
DCLPEN 2006	2,992	2,992	-	2,992	-	-	-
DCLPEN 2007	351	351	-	351	-	-	-
DCLPEN 2008	42	42	-	42	42	42	-
DCLPEN 2009	-	-	-	-	-	-	-
DCLPEN 2010	-	-	-	-	-	-	-
DCLPEN 2011	-	-	-	-	-	-	-
Total	\$ 11,983	\$ 11,309	\$ -	\$ 11,309	\$ 42	\$ 42	\$ 674
990 TREASURER ADMIN FEE							
TREASURER ADMIN FEE 2002	\$ 434	\$ 434	\$ -	\$ 434	\$ -	\$ -	\$ -
TREASURER ADMIN FEE 2003	440	440	-	440	-	-	-
TREASURER ADMIN FEE 2004	374	374	-	374	-	-	-
TREASURER ADMIN FEE 2005	513	513	-	513	-	-	-
TREASURER ADMIN FEE 2006	390	390	-	390	-	-	-
TREASURER ADMIN FEE 2007	340	340	-	340	-	-	-
TREASURER ADMIN FEE 2008	357	357	-	357	-	-	-
TREASURER ADMIN FEE 2009	-	-	-	-	-	-	-
TREASURER ADMIN FEE 2010	-	-	-	-	-	-	-
TREASURER ADMIN FEE 2011	-	-	-	-	-	-	-
Total	\$ 2,848	\$ 2,848	\$ -	\$ 2,848	\$ -	\$ -	\$ -

See independent auditors' report

STATE OF NEW MEXICO
 McKinley County
 McKinley County Treasurer Property Tax Schedule
 For the Year Ended June 30, 2012

Assessor Special Assessment

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
954 HORSES, MULES, & ASSES							
HORSES, MULES & ASSES 2009	\$ 376	\$ 315	\$ 35	\$ 350	\$ 40	\$ 40	\$ 26
HORSES, MULES & ASSES 2010	401	324	52	376	39	39	25
HORSES, MULES & ASSES 2011	443		382	382	368	368	61
Total	\$ 1,220	\$ 639	\$ 469	\$ 1,108	\$ 447	\$ 447	\$ 112
958 ALPACA & LLAMA							
ALPACA & LLAMA 2010	\$ 5	\$ 2	\$ 1	\$ 3	\$ 3	\$ 3	\$ 2
ALPACA & LLAMA 2011	3		1	1	1	1	2
Total	\$ 3	\$ -	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2

See independent auditors' report

STATE OF NEW MEXICO
 McKinley County
 McKinley County Treasurer Property Tax Schedule
 For the Year Ended June 30, 2012

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
GRAND TOTALS	\$ 216,896,008	\$ 188,539,119	\$ 26,190,583	\$ 214,732,913	\$ 26,083,876	\$ 26,083,876	\$ 2,168,989
2002	\$ 17,905,719	\$ 17,882,018	\$ 762	\$ 17,882,779	\$ 1,043	\$ 1,043	\$ 22,939
2003	17,382,458	17,365,706	330	17,366,033	661	661	16,423
2004	18,893,550	18,873,251	1,831	18,875,087	2,185	2,185	18,468
2005	21,210,250	21,192,782	2,118	21,194,906	2,585	2,585	15,350
2006	21,061,653	21,044,278	2,868	21,047,144	4,089	4,089	14,507
2007	22,934,141	22,901,563	7,689	22,909,260	9,996	9,996	24,889
2008	23,193,657	23,054,991	81,851	23,136,983	151,821	151,821	56,815
2009	24,542,223	23,978,903	334,861	24,313,883	315,782	315,782	228,459
2010	24,658,549	22,245,303	1,822,995	24,069,949	2,114,348	2,114,348	590,251
2011	25,116,089	-	23,935,226	23,936,513	23,481,327	23,481,327	1,180,863
	\$ 216,898,289	\$ 188,538,795	\$ 26,190,531	\$ 214,732,537	\$ 26,083,837	\$ 26,083,837	\$ 2,168,964

See independent auditors' report

STATE OF NEW MEXICO
 McKinley County
 Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds
 For the Year Ended June 30, 2012

Schedule V

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<i>Assets</i>				
Cash	\$ 535,565	\$ 19,259,223	\$ 18,564,851	\$ 1,229,937
Investments	644,591	3,896	645,552	2,935
Property taxes receivable	2,197,304	26,190,531	26,777,453	1,610,382
Accounts receivable	-	3,017	-	3,017
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total assets</i>	<u><u>\$ 3,377,460</u></u>	<u><u>\$ 45,456,667</u></u>	<u><u>\$ 45,987,856</u></u>	<u><u>\$ 2,846,271</u></u>
 <i>Liabilities</i>				
Deposits held in trust	\$ 1,180,156	\$ 19,259,223	\$ 19,210,403	\$ 1,234,997
Due to other taxing entities	2,197,304	26,190,531	26,777,453	1,610,382
Accounts payable	-	892	-	892
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total liabilities</i>	<u><u>\$ 3,377,460</u></u>	<u><u>\$ 45,450,646</u></u>	<u><u>\$ 45,987,856</u></u>	<u><u>\$ 2,846,271</u></u>

See independent auditors' report

COMPLIANCE SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

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

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
The Board of McKinley County Commissioners
McKinley County
Gallup, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the budgetary comparisons for the general fund and major special revenue funds and the aggregate remaining fund information of McKinley County, New Mexico (County), as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents and have issued our report thereon dated November 9, 2012. We also have audited the financial statements of each of the County's nonmajor governmental funds, and the budgetary comparisons for the major capital projects fund, and remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012 as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 as items FS 11-01, FS 12-01, FS 12-02, FS 12-03, FS 12-04, FS 12-05, FS 12-06, FS 12-07, FS 12-08, FS 12-09, and FS 12-10 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items FS 12-02, FS 12-03, FS 12-04, FS 12-05, FS 12-06, FS 12-07, FS 12-08, FS 12-09, FS 12-10, FS and 12-11.

We noted a certain matter that are required to be reported pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which is described in the accompanying schedule of findings and questioned costs as item FS 11-03.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 9, 2012

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FEDERAL FINANCIAL ASSISTANCE



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

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
The Board of McKinley County Commissioners
McKinley County
Gallup, New Mexico

Compliance

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

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

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect of each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item FA 12-01.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs at item FA 12-01 to be a material weakness.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 9, 2012

STATE OF NEW MEXICO
 McKinley County
 Schedule of Expenditures of Federal Awards
 For the year ended June 30, 2012

Federal Grantor/Passthrough Grantor/Program Title	Grant Number		Federal C.F.D.A. Number	Federal Expenditures
U.S. Department of Agriculture				
Schools and Roads- Grants to Counties	-		10.666	* \$ 191,390
Total U.S. Department of Agriculture				<u>191,390</u>
U.S. Department of Energy				
Energy Efficiency & Conservation Block Grant	DE-SC0002455		81.128	44,616
Total U.S. Department of Energy				<u>44,616</u>
U.S. Department of Justice				
2009 Joint Recovery Act-JAG	2009-SB-B9-2465		16.804	3,239
2010 Justice Assistant Grant (JAG)	2010-DJ-BX-0054	(1)	16.738	29,015
2011 Justice Assistant Grant (JAG)	2011-DJ-BX-3077	(1)	16.738	32,335
2009 Earmark Program	2009-JL-FX-0150		16.541	164,968
2010 Tribal Youth Field Initiated Research & Evaluation Program	2010-TY-FX-0005		16.731	109,137
Total U.S. Department of Justice				<u>338,694</u>
U.S. Department of Housing & Urban Development				
Thoreau Wastewater System Improvements	10-C-NR-I-01-G-24		14.218	* 156,944
Total U.S. Department of Housing & Urban Development				<u>156,944</u>
U.S. Department of Interior				
Zuni Mountain Trail System	11-DG11030200-009		15.506	6,610
Total U.S. Department of Interior				<u>6,610</u>
Department of Homeland Security				
1936-006 Public Assistance Grant	FEMA-1936-DR-NM		97.036	17,268
2010 State Homeland Security Grant (SHSGP)	2009-SS-T0-0011	(2)	97.067	* 44,267
2011 State Homeland Security Grant (SHSGP)	EMW-2011-SS-00094-S01	(2)	97.067	* 82,995
2011 SHSGP Competitive Award	EMW-2011-SS-00094-S01	(2)	97.067	* 12,375
FY 07 Sheltering Grant	2007-GE-T7-0023	(2)	97.067	* 19,974
2011 Emergency Management Grant (EMP)	EMW-2011-EP-00051	(3)	97.042	34,339
2010 Emergency Management Grant (EMP)	2010-EP-EO-0022	(3)	97.042	25,069
Total Department of Homeland Security				<u>236,287</u>
Total Federal Financial Assistance				<u>\$ 974,541</u>

* Major program

()Cluster

Notes to Schedule of Expenditures of Federal AwardsBasis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of McKinley County, New Mexico (County) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Subrecipients

The County did not provide any federal awards to subrecipients during the year.

Non-Cash Federal Assistance

The County did not receive any non-cash federal assistance during the year.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 974,541
Total expenditures funded by other sources	<u>36,983,063</u>
Total expenditures	<u><u>\$ 37,957,604</u></u>

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STATE OF NEW MEXICO
 McKinley County
 Schedule of Findings and Questioned Costs
 June 30, 2012

Section I – Summary or Audit Results:

Financial Statements:

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

Federal Awards:

- | 1. Type of auditors’ report issued on compliance for major programs | Unqualified | | | | | | | | |
|---|---------------------------------------|-----------------|--------|---------------------------------------|--------|---------------------------------|--------|-----------------------------------|--|
| 2. Internal control over major programs: | | | | | | | | | |
| a. Material weaknesses identified? | Yes | | | | | | | | |
| b. Significant deficiencies identified not considered to be material weaknesses? | No | | | | | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? | Yes | | | | | | | | |
| 4. Identification of major programs: | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">CFDA
Number</th> <th style="text-align: center; border-bottom: 1px solid black;">Federal Program</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">10.666</td> <td>Schools and Roads- Grants to Counties</td> </tr> <tr> <td style="text-align: center;">97.067</td> <td>Homeland Security Grant Program</td> </tr> <tr> <td style="text-align: center;">14.218</td> <td>Community Development Block Grant</td> </tr> </tbody> </table> | CFDA
Number | Federal Program | 10.666 | Schools and Roads- Grants to Counties | 97.067 | Homeland Security Grant Program | 14.218 | Community Development Block Grant | |
| CFDA
Number | Federal Program | | | | | | | | |
| 10.666 | Schools and Roads- Grants to Counties | | | | | | | | |
| 97.067 | Homeland Security Grant Program | | | | | | | | |
| 14.218 | Community Development Block Grant | | | | | | | | |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 | | | | | | | | |
| 6. Auditee qualified as low-risk auditee? | No | | | | | | | | |

Section II – Financial Statement Findings

FS 11-01 — Deficiencies in Design over Internal Controls – Material Weakness (Repeat/Modified)

Condition: The County’s internal control structure is inadequate. The County does not have a comprehensive documented internal control system over financial information. The County does not maintain proper oversight or monitoring in regards to the County’s accounting activities. The County has not taken the proper counter measures to monitor and mitigate the risk for fraud, misappropriation of assets, or misstatement of financial statements. During our audit, we noted the following internal control deficiencies:

- Lack of proper “Tone from the top” regarding County policies due to management override
- Financial statements and related footnote disclosures were not prepared by the County
- 1 out of 25 disbursements tested, the purchase order did not match the invoice and was lower by \$13.
- 3 out of 40 disbursements tested, management did not sign off as reviewed, the accounts payable register report as required by County Policy.
- 1 out of 5 transactions tested related to payroll, proper management did not sign off as reviewed on the payroll register as required by County Policy.

Criteria: NMAC 6.20.2.11 states:

A. Every County shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

B. Each County shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

(1) County management must ensure that protection of the public trust is a major focus when granting the authorization to execute business of the County.

(2) Employees handling significant amounts of cash must be adequately bonded. Access to assets is permitted only in accordance with County authorization.

(3) Receipts, checks or warrants, purchase orders, and vouchers shall be sequentially pre-numbered.

(4) The County shall have proper safeguards to protect unused checks and other pre-numbered forms, undeposited cash and other receipts, and facsimile signature plates.

(5) Transactions are to be recorded as necessary to permit preparation of financial statements in conformity with GAAP. In addition, Counties shall establish any other criteria applicable to such statements to maintain accountability for assets.

(6) Counties shall conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer-programmed controls, management review of reports that summarize the detail of account balances, and user review of computer generated reports.

C. An internal control structure is required to demonstrate the County’s ability to record, process, summarize and report financial data consistent with the following financial statement assertions:

- (1) rights and ownership;
- (2) existence and occurrence;
- (3) valuation and allocations;
- (4) completeness; and,
- (5) Presentation and disclosure.

Section II – Financial Statement Findings (continued)

FS 11-01 — Deficiencies in Design over Internal Controls (continued) – Material Weakness (Repeat/Modified)

D. The internal control structure shall demonstrate that the County identifies applicable laws and regulations, and that procedures are designed to provide reasonable assurance that the County complies with those laws and regulations. Internal control procedures shall be established, implemented and documented through County correspondence, manuals, training, and other additional methods. Appropriate internal control procedures shall be adopted by the local board within a County to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. The internal control structure shall address all County transactions.

The SAS No. 115 Appendix lists the following circumstances as possible control deficiency, significant deficiency, or material weakness, “inadequate documentation of the components of internal control.” SAS 115 paragraph 19 states that ineffective oversight of the agency’s financial reporting and internal control by those charged with governance should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

Effect: Because certain internal controls have weaknesses in design, key controls are not in place to properly safeguard assets and prevent or detect misstatements within the areas above.

Cause: The County has not performed a recent risk assessment for those key controls in place to prevent and detect errors or fraud.

Auditors’ Recommendations: The County should ensure that a comprehensive internal control structure over financial information is designed, documented, and implemented. Management should follow and ensure that all staff follows the County’s documented internal control procedures. The County Commission is charged with governance and should provide effective oversight of the internal control and financial reporting process.

Management Response:

1. Management is and has been aware of the need to formally adopt and/or update the policies and procedures that will expressly state the authority of upper level management to act on the policies and laws; and, have stated support of that authority within the policies.

With this audit finding, Upper Management will be able to develop and place before the Board of County Commissioners policies and procedures that will address and/or coordinate existing policies and procedures to resolve this finding.

This will include encouragement of all elected officials to continue participation in training that is offered through or in conjunction with the New Mexico Association of Counties.

2. We do provide the auditors with accurate financial information, but are not able to compile into the report. Finance has been continuously working with the software personnel to update the program so it will produce the same report that the auditors prepare, in addition to our required footnote disclosures.
3. McKinley County’s procurement policy is in the process of being updated to comply with the OSA ruling to make sure the invoice matches the purchase order for any given transaction. Management has also resolved this issue by informing all departments to make change orders to match the invoices provided by the vendors.
4. Accounts payable registers are all being signed off on by management. This issue was first identified last year, but because of timing was carried into the next fiscal year; this finding is now resolved.
5. Payroll registers are all being signed off on by management. This issue was first identified last year, but because of timing was carried into the next fiscal year; this finding is now resolved.

Section II – Financial Statement Findings (continued)

FS 11-03 — Travel and Per Diem - Other Matters (Repeat/Modified)

Condition: During testwork we noted the following conditions:

- 2 out of 60 transactions tested for credit cards, the County did not have proper signatures by management on the request for travel slip approving the travel
- 1 out of 60 transactions tested for credit cards, the request for travel was not attached with the supporting documentation
- 1 out of 28 transactions related to travel, the County paid actual expenses for travel, however, did not have proper documentation to show actual expenses were to be reimbursed in the file
- 1 out of 28 transactions related to travel, the County paid \$278.20 for hotel rooms with no additional approval which exceeds the \$215 limit
- 1 out of 60 transactions related to federal awards, the County paid \$259 for hotel rooms with no additional approval which exceeds the \$215 limit
- 2 out of 28 transactions related to travel, the County did not properly authorize for out of state travel as required by County policy

Criteria: NMAC 6.20.2.19 requires the County to comply with the Per Diem and Mileage Act, Sections 10-8-1 through 10-8-4, for all per diem and reimbursement rates.

Effect: The risk that the County can overpay monies for reimbursements using public funds is heightened.

Cause: An oversight by management during the travel internal control process.

Auditors' Recommendation: We recommend the County follow the Per Diem and Mileage Act when paying per diem and travel reimbursements.

Management Response: McKinley County has implemented a new Travel and Per Diem policy to resolve the above findings. Some of the findings were due to timing and a cross over from last year's audit. The Finance department has had several training sessions, as well as, individual training sessions for specific departments to assure everyone is in compliance. In addition, Finance will continue to educate departments, critic and correct any travel paperwork that come across our desks.

Management will recommend to the Board of Commissioners that training will be mandatory for chronic offenders to the policy.

Section II – Financial Statement Findings (continued)

FS 12-01 Improper Pay Raises - Material Weakness

Condition: The County gave two pay increases and a promotion to an employee during the fiscal year 2012, where the first raise did not follow County policies and the second pay increase and promotion was not properly authorized.

Criteria: Segregation of duties in payroll, the existence of an appropriate pay rate schedule, a review of employee timesheets, a review of payroll reports, and proper authorization and approval for wages, as indicated in NMSA 1978 Section 6-6-3 are required to be maintained in order to have proper and sufficient internal controls to reduce the risk of fraudulent activities.

Section 7.2 of the County’s Personnel Policies Ordinance No., Nov-05-002 “All appointments shall be in compliance with this Ordinance. All positions shall be established by the Board of County Commissioners. The salary shall fall within the minimum and maximum ranges established for each grade level.”

Section 7.3 of the County’s Personnel Policies Ordinance No., Nov-05-002 “All appointments to vacant, non-temporary positions, full-time or part-time are to be filled by a competitive process. The position can be advertised “in-house” or open to the public as determined by the appointing authority after consultation with Human Resources Director. For in-house advertisement, applications will only be accepted from current County employees not on probation. Any position open to the public shall be advertised at least once either in a newspaper of general circulation within McKinley County, on a website, or in such other publications as may be necessary to obtain candidates for the position. The Notice of Vacancy announcement shall contain information about the position and the application process. All job vacancy announcements shall be distributed for posting in each Office or Department of the County in order to notify employees of openings and provide instructions for internal applicants to apply.”

Section 7.4.6(a) of the County’s Personnel Policies Ordinance No., Nov-05-002 “The Board of County Commissioners shall select and appoint the County Manager. The Board of County Commissioners hereby delegates the authority for hiring and selection process of other positions under their authority to the County Manager. The County Manager shall then delegate hiring authority to individual department heads.”

Effect: The County did not properly following state statutes and County policies over promotions, vacancies, and pay raises.

Cause: Management and those in charge of governance improperly increased the pay of one employee without conducting a competitive process, without following authorized pay rate schedule, and without the proper authorization of the County Manager.

Auditors’ Recommendations: The County should follow State Statutes and their own policy for promotions, position vacancies, and pay increases.

Management Response: Management is and has been aware of the need to strengthen and/or update the personnel and pay policies and procedures to expressly state the authority of upper level management to act on the policies and laws; and, have express support of the delegation of authority from the Board of Commissioners without being overridden or waived.

This will include encouragement of all elected officials to continue participation in training that is offered through or in conjunction with the New Mexico Association of Counties on their roles and responsibilities for proper policy oversight of employment and personnel management within the county government.

Section II – Financial Statement Findings (continued)

**FS 12-02 Insufficient Internal Controls over Procurement - Notice of Awards - Material Weakness/
Noncompliance**

Condition: The County is not properly applying the State Procurement Code with respect to the issuance and administration of Invitations for Bid and Request for Proposals by not providing written “notices of award” to the bidders or proposers.

Criteria: NMAC 1.4.1.24(H), states that “Written notice of award shall be sent to the successful bidder.” NMAC 1.4.1.43 states that “The procurement manager shall promptly provide all offerors who submitted proposals written notice of the award.”

Effect: Not properly notifying the bidders and proposers of the award could be grounds for formal protests by the unsuccessful bidder(s) or proposer(s) and potential litigation resulting from any damages.

Cause: The County Purchasing Department does not follow the rules promulgated in the New Mexico Administrative Code (NMAC) due to a lack of knowledge of the regulations.

Auditors’ Recommendations: The County should implement policies pertaining to the application of the New Mexico Procurement Code and Regulations. In addition, the procurement staff should be provided with formal training related to the New Mexico Procurement Code and applicable regulations

Management Response: Management will insure Procurement staff obtains training and implements the proper process of giving notice to all offerors after awards are granted.

Section II – Financial Statement Findings (continued)

FS 12-03 Insufficient Internal Controls over Procurement - Bids- Material Weakness/ Noncompliance

Condition: The County is not properly applying the State Procurement Code and is purchasing goods incorrectly under an existing contract that are not part of the contract and which are in excess of the statutory amount allowed as “small purchases” in the Procurement Code.

Criteria: Section 13-1-125, NMSA 1978 states that “A central purchasing office shall procure services, construction or items of tangible personal property having a value not exceeding twenty thousand dollars (\$20,000) in accordance with applicable small purchase regulations adopted by ...a local public body....” The McKinley County Purchasing Policy states in 2.7.4 that purchases between \$5,000 and \$9,999 will be made when at least three (3) written quotes are obtained and states in section 2.7.5 that purchases exceeding \$10,000 require formal bid procedures as stated in Chapter 13, NMSA 1978.

Effect: Not properly purchasing goods and services from a vendor, is a violation of State statutes and County Policy and could lead to potential litigation and State sanctions.

Cause: The County Purchasing Department does not follow the rules promulgated in the New Mexico Procurement Code and the County Purchasing Policy due to a lack of knowledge of the statutes and rules.

Auditors’ Recommendations: The County should implement policies pertaining to the application of the New Mexico Procurement Code, Regulations and County Policy pertaining to purchasing. In addition, the procurement staff should be provided with formal training related to the New Mexico Procurement Code, the applicable regulations and the County Purchasing Policy.

Management Response: Pursuant to Resolution SEP-07-047 which approved McKinley County Procurement policy and regulations which were approved in September of 2007. These policies and regulations outline proper procedures for purchasing or procurement of all goods and services by the McKinley County government. This includes: General provisions; Standard purchasing procedures [small purchases, quotes, bids, RFP, etc]; Non-standard, urgent and emergency purchasing procedures; Fixed Asset Administration and responsibility; Capital Assets processing; Approved Forms and Supplements.

Management has known of the need to update these policies and procedures to bring in line with State law for some time but was awaiting this latest audit which with this finding has addressed procurement issues and concerns.

Management will be developing and recommending updated policies and procedures to the Board of Commissioners by March 31, 2013.

Regarding Training of Procurement staff, the County has expended close to ten thousand dollars on applicable training in the recent past two years. In the opinion of Management it is not a matter of training on laws and procedure; but a matter of additional training in the exercise of good judgment with regard to application of said procurement laws, rules, policies and procedures. There have been changes in personnel in the Procurement office which seem to be helping, and should continue to improve in this area.

The current Procurement staff has taken the following course work towards obtaining a certification under the NM Public Procurement Association: Overview of the NM Procurement Code [8 hours]; How to write and understand specifications [8 hours]; The Request for Proposal process [8 hours]; Negotiation [8 hours] and will be taking two other required courses by March 2013 in an effort to become certified by the State.

Section II – Financial Statement Findings (continued)

FS 12-04 Insufficient Internal Controls over Procurement - Lack of Proper Approval of Contracts - Material Weakness/ Noncompliance

Condition: McKinley County executed a contract renewal for professional services beyond the allowable statutory period of four years. The contract was executed by the Procurement Agent/Buyer without approval of the County Commission.

Criteria: Section 13-1-150(B), NMSA 1978 states that “A contract for professional services may not exceed four years, including all extensions and renewals...” There are five exceptions to this statute. Heating/air conditioning professional services is not among them. Governmental Conduct Act 10-16-7 states that “A state agency shall not enter into a contract for services, construction or items of tangible personal property with a public officer or ...with a business in which the public officer...has a substantial interest...unless the contract is awarded pursuant to the Procurement Code...”

Effect: Not properly applying the New Mexico Statutes pertaining to contracting with a vendor, without complying with applicable State Statutes, is a violation of said statutes and could lead to potential litigation and State sanctions.

Cause: The former Procurement Agent/Buyer entered into an agreement without complying with the State Statutes. The County Purchasing Department did not follow the rules promulgated in the New Mexico Procurement Code due to a lack of knowledge of the statutes and rules.

Auditors’ Recommendations: The County should implement policies pertaining to the application of the Governmental Conduct Act, the New Mexico Procurement Code, Regulations and County Policy pertaining to purchasing. In addition, the procurement staff should be provided with formal training related to the New Mexico Procurement Code, the applicable regulations and the County Purchasing Policy and the Elected Officials should be provided with training on the Governmental Conduct Act.

Management Response: Pursuant to Resolution SEP-07-047 which approved McKinley County Procurement policy and regulations which were approved in September of 2007. These policies and regulations outline proper procedures for purchasing or procurement of all goods and services by the McKinley County government. This includes: General provisions; Standard purchasing procedures [small purchases, quotes, bids, RFP, etc]; Non-standard, urgent and emergency purchasing procedures; Fixed Asset Administration and responsibility; Capital Assets processing; Approved Forms and Supplements.

Management has known of the need to update these policies and procedures to bring in line with State law for some time, but was awaiting this audit which by this finding addresses procurement issues and concerns.

Management will be developing and recommending updated policies and procedures to the Board of Commissioners by March 31, 2013.

Regarding Training of Procurement staff, the County has expended close to ten thousand dollars on applicable training in the recent past two years. In the opinion of Management it is not a matter of training on laws and procedure; but a matter of additional training in the exercise of good judgment with regard to application of said procurement laws, rules, policies and procedures. There have been changes in personnel in the Procurement office which seem to be helping, and should continue to improve in this area.

The current Procurement staff has taken the following course work towards obtaining a certification under the NM Public Procurement Association: Overview of the NM Procurement Code [8 hours]; How to write and understand specifications [8 hours]; The Request for Proposal process [8 hours]; Negotiation [8 hours] and will be taking two other required courses by March 2013 in an effort to become certified by the State.

Section II – Financial Statement Findings (continued)

FS 12-05 Insufficient Internal Controls over Procurement - Lack of Proper Oversight- Material Weakness/ Noncompliance

Condition: The County does not maintain proper oversight or monitoring with regard to the County’s procurement activities. The County does not have procedures in place to monitor and mitigate the risk for fraud, misappropriation of assets and the misstatement of financial statements and reports.

During our procedures, we noted the following internal control deficiencies:

1. Insufficient controls over the purchases of goods and services.
2. Insufficient controls over the application and execution of the Procurement Code and the related New Mexico Administrative Code pertaining to the purchase of goods and services.
3. Lack of proper “Tone from the Top” regarding County purchasing policies and state law and regulations related to the procurement of goods and services.

Criteria: NMAC 6.20.2.11 states:

- A. Every County shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications, including computer systems) that are in accordance with GAAP.
- B. Each County shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.
 - (1) County management must ensure that protection of the public trust is a major focus when granting the authorization to execute business of the County.
 - (2) Employees handling significant amounts of cash must be adequately bonded. Access to assets is permitted only in accordance with County authorization.
 - (3) Receipts, checks or warrants, purchase orders, and vouchers shall be sequentially pre-numbered.
 - (4) The County shall have proper safeguards to protect unused checks and other pre-numbered forms, undeposited cash and other receipts, and facsimile signature plates.
 - (5) Transactions are to be recorded as necessary to permit preparation of financial statements in conformity with GAAP. In addition, Counties shall establish any other criteria applicable to such statements to maintain accountability for assets.
 - (6) Counties shall conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer-programmed controls, management review of reports that summarize the detail of account balances, and user review of computer generated reports.
- C. An internal control structure is required to demonstrate the County’s ability to record, process, summarize and report financial data consistent with the following financial statement assertions:
 - (1) Rights and ownership;
 - (2) Existence and occurrence;
 - (3) Valuation and allocations;
 - (4) Completeness; and,
 - (5) Presentation and disclosure.

Section II – Financial Statement Findings (continued)

FS 12-05 Insufficient Internal Controls over Procurement - Lack of Proper Oversight - Material Weakness/ Noncompliance (continued)

D. The internal control structure shall demonstrate that the County identifies applicable laws and regulations, and that procedures are designed to provide reasonable assurance that the County complies with those laws and regulations. Internal control procedures shall be established, implemented and documented through County correspondence, manuals, training, and other additional methods. Appropriate internal control procedures shall be adopted by the local board within a County to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. The internal control structure shall address all County transactions.

Effect: Because certain internal controls have weaknesses in design, key controls are not in place to properly safeguard assets and prevent or detect misstatements within the areas mentioned above.

Cause: The County has not taken steps to ensure that key controls in place to prevent and detect errors or fraud are not overridden by management or those in charge of governance.

Auditors' Recommendations: The County should consider the following:

- Enact and implement policies and procedures pertaining to related party transactions and conflicts of interest.
- Form an audit committee that includes outside financial experts.
- Engage an independent consultant to assist with governance issues, duties and responsibilities.
- Conduct formal training for the Commission and the management team regarding organizational and application internal controls. The training should emphasize a basic understanding of the responsibility of each party as it relates to internal control.
- Conduct formal training for the management team and staff pertaining to the application of the Purchasing Policy and State of New Mexico procurement laws and regulations.
- Evaluate and hold employees accountable for the execution and implementation of the County Purchasing Policy and State procurement laws and regulations.
- Conduct formal training on fraud for all employees and Elected Officials, including Commissioners.
- Establish a whistleblower policy that is consistent with State law and conduct formal training for all employees.
- Establish a formal monitoring policy regarding high risk areas in internal control.

Management Response: Management is and has been aware of the need to formally adopt and/or update the policies and procedures that will expressly state the authority of upper level management to act on the policies and laws; and, have stated support of that authority within the policies.

With this audit finding, Upper Management will be able to take each of the auditors' recommendations as listed herein; discuss possible ways to implement such recommendations; and, develop and place before the Board of County Commissioners policies and procedures that will address and/or coordinate existing policies and procedures to resolve this finding.

This will include encouragement of all elected officials to continue participation in training that is offered through or in conjunction with the New Mexico Association of Counties.

Section II – Financial Statement Findings (continued)

FS 12-06 Insufficient Internal Controls over Procurement - Lack of Proper Procurement Policies and Conflict of Interest - Material Weakness/ Noncompliance

Condition: The County does not have updated and accurate procurement and conflict of interest policies as follows:

- The County’s Purchasing Policy Section 2.7.5 “Purchases exceeding \$10,000” and Section 2.10 “Procurement of professional services” are not updated to current guidelines, and are not clearly written to identify which types of procurement are applicable under each policy.
- The County does not have a formal conflict of interest policy and the sections in the County’s employee manual that relate to conflicts of interest do not include all requirements of the Governmental Conduct Act related to conflicts of interest and prohibited acts by officials.

Criteria: County Procurement Policy Section 2.7.5 of the County’s procurement regulations states all purchases exceeding \$10,000 should require formal bid procedures and legal advertisement as stated in Chapter 13, New Mexico State Statutes.

County Procurement Policy Section 2.10 Procurement of Professional Services states that “All professional services having a value not exceeding thirty thousand dollars (\$30,000) will be procured at the best-negotiated price excluding applicable state and local gross receipts taxes. This section excludes services of architects, archeologists, engineers, landscape architects, medical arts practitioners, scientists, management and systems analysts, certified public accountants, registered public accountants, lawyers, psychologists, planners, researchers, construction managers, engineers or surveyors which must be procured by procurement regulations promulgated by the Department of Finance and Administration, General Services Department, or central purchasing office. Ref: Section 13-1-76 & 13-1-125, NMSA 1978”

Section 10-16-3 NMSA 1978 states that “Full disclosure of real or potential conflicts of interest shall be a guiding principle for determining appropriate conduct. At all times, reasonable efforts shall be made to avoid undue influence and abuse of office of public services”.

Section 10-16-4 NMSA 1978 states that “A public officer or employee shall be disqualified from engaging in any official act directly affecting the public officer’s or employee’s financial interest.

Effect: Having ambiguous or unclear procurement and conflict of interest policies heightens the risk of noncompliance with State Statutes and the risk of management override and abuse. The County and/or one of its commissioners may have violated both the procurement policies and the Government Conduct Act.

Cause: The County has not reviewed their policies to ensure procurement policies are clearly defined, understandable, and do not conflict with other polices. Also, the County has not updated their procurement and conflict of interest policies to ensure compliance and conformity with State Statutes.

Auditors’ Recommendations: The County should update their policies to coincide with State Statutes and the Governmental Conduct Act, and ensure that policies are clearly defined, understandable, and complete.

Management Response: Pursuant to Resolution SEP-07-047 which approved McKinley County Procurement policy and regulations which were approved in September of 2007. These policies and regulations outline proper procedures for purchasing or procurement of all goods and services by the McKinley County government. This includes: General provisions; Standard purchasing procedures [small purchases, quotes, bids, RFP, etc]; Non-standard, urgent and emergency purchasing procedures; Fixed Asset Administration and responsibility; Capital Assets processing; Approved Forms and Supplements.

Management has known of the need to update these policies and procedures to bring in line with State law for some time, but was awaiting this audit which with this finding has addressed procurement issues and concerns. Management will be developing and recommending updated policies and procedures to the Board of Commissioners by March 31, 2013. Management will make sure the issues of incorporating the provisions of the NM Governmental Conduct Act for Elected and public officials will be included and addressed with appropriate forms and procedures.

Section II – Financial Statement Findings (continued)

FS 12-07 Insufficient Internal Controls over Procurement - Lack of Not Including the 5% Bidder Preference-Material Weakness/ Noncompliance

Condition: The County is not properly applying the State Procurement Code with respect to the issuance and administration of Invitations for Bid and Request for Proposals by not including the 5% New Mexico Preference.

Criteria: Section 13-1-21(B) NMSA 1978 states that “When a public body makes a purchase using a formal bid process, the public body shall deem a bid submitted by a resident business to be five percent lower than the bid actually submitted.” Section 13-1-21(C)(1) NMSA 1978 states that “When a public body makes a purchase using a formal request for proposals process, five percent of the total weight of all of the factors used in evaluating the proposals shall be awarded to a resident business based on the resident business possessing a valid resident business certificate.”

Effect: Not properly evaluating bids and proposals, taking into consideration the 5% New Mexico preference, could result in the protest and potential overturning of the awards and potential litigation against the County.

Cause: The County Purchasing Department does not follow the rules promulgated in the New Mexico Procurement Code due to a lack of knowledge of the statutes.

Auditors’ Recommendations: The County should implement policies pertaining to the application of the New Mexico Procurement Code and Regulations. In addition, the procurement staff should be provided with formal training related to the New Mexico Procurement Code and applicable regulations.

Management Response: Management will insure Procurement staff obtains training and implements within the County bid process the 5% Bidder preference provisions of the State law.

Section II – Financial Statement Findings (continued)

FS 12-08 Insufficient Internal Controls over Procurement - Lack of Sufficient Documentation - Material Weakness/ Noncompliance

Condition: The County paid \$27,414.15 for goods and/or services without an invoice being duly processed and authorized. The County is not properly applying the State Procurement Code and is purchasing goods incorrectly under an existing contract that are not part of the contract and which are in excess of the statutory amount allowed as “small purchases” in the Procurement Code.

Criteria: Section 13-1-158(A), NMSA 1978 states that “No warrant, check or other negotiable instrument shall be issued in payment for any purchase of services, construction or items of tangible personal property unless the central purchasing office or the using agency certifies that the services, construction or items of tangible personal property have been received and meet specifications...”

Effect: Not properly applying the New Mexico Statutes pertaining payments to a vendor, without obtaining an invoice and its proper authorization for payment, is a violation of State statutes and could lead to potential litigation and State sanctions.

Cause: The County Purchasing Department does not follow the rules promulgated in the New Mexico Procurement Code due to a lack of knowledge of the statutes and rules.

Auditors’ Recommendations: The County should implement policies pertaining to the application of the New Mexico Procurement Code, Regulations and County Policy pertaining to purchasing. In addition, the procurement staff should be provided with formal training related to the New Mexico Procurement Code, the applicable regulations and the County Purchasing Policy.

Management Response: Pursuant to Resolution SEP-07-047 which approved McKinley County Procurement policy and regulations which were approved in September of 2007. These policies and regulations outline proper procedures for purchasing or procurement of all goods and services by the McKinley County government. This includes: General provisions; Standard purchasing procedures [small purchases, quotes, bids, RFP, etc]; Non-standard, urgent and emergency purchasing procedures; Fixed Asset Administration and responsibility; Capital Assets processing; Approved Forms and Supplements.

Management has known of the need to update these policies and procedures to bring in line with State law for some time, but was awaiting this audit which with this finding has addressed procurement issues and concerns.

Management will be developing and recommending updated policies and procedures to the Board of Commissioners by March 31, 2013.

Regarding Training of Procurement staff, the County has expended close to ten thousand dollars on applicable training in the recent past two years. In the opinion of Management it is not a matter of training on laws and procedure; but a matter of additional training in the exercise of good judgment with regard to application of said procurement laws, rules, policies and procedures. There have been changes in personnel in the Procurement office which seem to be helping, and should continue to improve in this area.

The current Procurement staff has taken the following course work towards obtaining a certification under the NM Public Procurement Association: Overview of the NM Procurement Code [8 hours]; How to write and understand specifications [8 hours]; The Request for Proposal process [8 hours]; Negotiation [8 hours] and will be taking two other required courses by March 2013 in an effort to become certified by the State.

Section II – Financial Statement Findings (continued)

FS 12-09 Insufficient Internal Controls over Procurement - Noncompliance with State Procurement Code - Material Weakness/ Noncompliance

Condition: The County paid for a project that was completed in the amount of \$55,226.56 in November 2011, pursuant to a Request for Proposal. This RFP was overturned by a Court Order in September 2011. This purchase was not in the scope of the maintenance contract, and was not in accordance with the Procurement Code.

Criteria: Section 13-1-102 NMSA 1978 states that “All procurement shall be achieved by competitive sealed bid pursuant to Sections 13-1-103 through 13-1-110 NMSA 1978, except procurement achieved pursuant to the following sections of the Procurement Code:..Section 13-1-125 NMSA 1978, small purchases...” Section 13-1-125(A), NMSA 1978 states that “A central purchasing office shall procure services, construction or items of tangible personal property having a value not exceeding twenty thousand dollars (\$20,000) in accordance with the applicable small purchase regulations...”. Governmental Conduct Act 10-16-4 states that “It is unlawful for a public officer or employee to take an official act for the primary purpose of directly enhancing the public officer’s or employee’s financial interest or financial position.”

Effect: Not properly applying the New Mexico Statutes pertaining to contracting with a vendor, without complying with applicable State Statutes, is a violation of said statutes and could lead to potential litigation and State sanctions.

Cause: The County should have not commenced work on this project or should have ceased work on this project once the District Court ruled that the RFP for plumbing services was voidable. In addition, McKinley County should not have paid for these services.

Auditors’ Recommendations: The County should implement policies pertaining to the application of the Governmental Conduct Act, the New Mexico Procurement Code, Regulations and County Policy pertaining to purchasing. In addition, the procurement staff should be provided with formal training related to the New Mexico Procurement Code, the applicable regulations and the County Purchasing Policy and the Elected Officials should be provided with training on the Governmental Conduct Act.

Management Response: Pursuant to Resolution SEP-07-047 which approved McKinley County Procurement policy and regulations which were approved in September of 2007. These policies and regulations outline proper procedures for purchasing or procurement of all goods and services by the McKinley County government. This includes: General provisions; Standard purchasing procedures [small purchases, quotes, bids, RFP, etc]; Non-standard, urgent and emergency purchasing procedures; Fixed Asset Administration and responsibility; Capital Assets processing; Approved Forms and Supplements. Further, pursuant to the Court Order of September 2011 mentioned in the finding, McKinley County has re-issued the procurement of services in question following the State Procurement Code, and specifically choosing to not relate the procurement processes to the County Regulations. McKinley County has comported in all respects to the Court Order mentioned above in the Finding.

Management has known of the need to update these policies and procedures to bring in line with State law for some time, but was awaiting the latest audit which did address procurement issues and concerns. Management will be developing and recommending updated policies and procedures to the Board of Commissioners by March 31, 2013.

Regarding Training of Procurement staff, the County has expended close to ten thousand dollars on applicable training in the recent past two years. In the opinion of Management it is not a matter of training on laws and procedure; but a matter of additional training in the exercise of good judgment with regard to application of said procurement laws, rules, policies and procedures. There have been changes in personnel in the Procurement office which seem to be helping, and should continue to improve in this area. The current Procurement staff has taken the following course work towards obtaining a certification under the NM Public Procurement Association: Overview of the NM Procurement Code [8 hours]; How to write and understand specifications [8 hours]; The Request for Proposal process [8 hours]; Negotiation [8 hours] and will be taking two other required courses by March 2013 in an effort to become certified by the State. Management will encourage and arrange for all elected officials to continue participation in training that is offered through or in conjunction with the New Mexico Association of Counties regarding the provision of the Governmental Conduct Act and other applicable laws.

Section II – Financial Statement Findings (continued)

FS 12-10 Insufficient Internal Controls over Procurement - Request for Qualifications - Material Weakness/Noncompliance

Condition: The County is not properly applying the State Procurement Code with respect to the issuance and administration of Invitations for Bid and Request for Proposals by not issuing Requests for Qualifications related to competitive sealed qualifications-based proposals for architects and engineers on applicable local public works projects.

Criteria: Section 13-1-120(A) NMSA 1978 states that “For each proposed state public works project, local public works project or construction management contract, the architect, engineer...selection committee ... shall evaluate statements of qualifications and performance data...” Section 13-1-66.1 NMSA 1978 defines a local public works project as “...costing fifty thousand dollars (\$50,000) or more...”

Effect: Not properly issuing a Request for Qualifications for the architectural or engineering services on applicable public works projects could lead to the protest and possible overturning of awards to construction projects.

Cause: The County Purchasing Department does not follow the rules promulgated in the New Mexico Procurement Code due to a lack of knowledge of the statutes.

Auditors’ Recommendations: The County should implement policies pertaining to the application of the New Mexico Procurement Code and Regulations. In addition, the procurement staff should be provided with formal training related to the New Mexico Procurement Code and applicable regulations.

Management Response: Pursuant to Resolution SEP-07-047 which approved McKinley County Procurement policy and regulations which were approved in September of 2007. These policies and regulations outline proper procedures for purchasing or procurement of all goods and services by the McKinley County government. This includes: General provisions; Standard purchasing procedures [small purchases, quotes, bids, RFP, etc]; Non-standard, urgent and emergency purchasing procedures; Fixed Asset Administration and responsibility; Capital Assets processing; Approved Forms and Supplements.

Management has known of the need to update these policies and procedures to bring in line with State law for some time, but was awaiting this audit which with this finding has addressed procurement issues and concerns.

Management will be developing and recommending updated policies and procedures to the Board of Commissioners by March 31, 2013.

Regarding Training of Procurement staff, the County has expended close to ten thousand dollars on applicable training in the recent past two years. In the opinion of Management it is not a matter of training on laws and procedure; but a matter of additional training in the exercise of good judgment with regard to application of said procurement laws, rules, policies and procedures. There have been changes in personnel in the Procurement office which seem to be helping, and should continue to improve in this area.

The current Procurement staff has taken the following course work towards obtaining a certification under the NM Public Procurement Association: Overview of the NM Procurement Code [8 hours]; How to write and understand specifications [8 hours]; The Request for Proposal process [8 hours]; Negotiation [8 hours] and will be taking two other required courses by March 2013 in an effort to become certified by the State.

Section II – Financial Statement Findings (continued)

FS 12-11 Violations of Open Meetings Act - Noncompliance

Condition: The County is not properly recording how the Commissioners vote on action items during open meetings.

Criteria: Section 10-15-1G, NMSA 1978, states that "...The minutes shall include at a minimum the date, time and place of the meeting, the names of the members in attendance and those absent, the substance of the proposals considered and a record of any decisions and votes taken that show how each member voted..."

Effect: Not properly recording how each commissioner votes could result in County Commission actions, such as contracts, bid awards and disbursement approvals, being challenged and possibly overturned for noncompliance with the aforementioned statute.

Cause: The County has not instituted and implemented proper internal policies related to how the Commission meetings are to be recorded.

Auditors' Recommendations: The County should implement policies pertaining to the recording of open meetings held by the Commission. Each commissioner's vote should be chronicled in accordance with the New Mexico Statutes. In addition, the approved minutes should be signed by the Chairman of the County Commission or his/her designee and attested to by the County Clerk or his/her designee.

Management Response: McKinley County is in a good position to effectuate change in the process of generating and recording minutes of County Commission meetings. As of January 1, 2012, the County will have a new Clerk; and, relatively new staff members which will allow training and practices to be changed to more closely follow the law. In reading this finding, the major contention is described in the effect section "Effect: Not properly recording how each commissioner votes could result in County Commission actions, such as contracts, bid awards and disbursement approvals, being challenged and possibly overturned for noncompliance with the [open meetings act]".

With the beginning term of the newly elected County Clerk, and a new Chairperson of the County Commission; The County will work with the Clerk and the Clerk's office to implement policies/practices that will assure that the minutes will reflect how each commissioner voted. In addition, the County will work with the Clerk and the Clerk's office to institute the practice on having approved minutes signed by the Chairman of the County Commission or his/her designee and attested to by the County Clerk or his/her designee.

Section III – Federal Award Findings

FA 12-01 – Grant Compliance – Material Weakness

Information on Federal Award:

Funding agency: U.S. Department of Agriculture – Forest Service
Title: Forest Reserve
CFDA Number: 10.666

Condition: During our audit of the County's compliance requirements that could have a direct and material effect on the County's major federal programs, we noted that the County did not allow for a 45-day public comment period prior to expending Title III County funds under the Forest Service Schools and Roads programs, nor did the County submit the required certification of use of the Title III funds.

Criteria: The 2012 A-133 Compliance Supplement, released in June, 2012, stipulates the following:

1. A participating county may use Title III County funds only after a 45-day public comment period, at the beginning of which the participating County shall –
 - a. Publish in any publications of local record a proposal that describes the proposed use of the County funds; and
 - b. Submit the proposal to any resource advisory committee established under 16 USC 7125 for the participating County (16 USC 7142(b)).
2. As required by Secure Rural Schools and Community Self-Determination Act of 2000, as amended and reauthorized in 2009 by P.L.II 0-343, (the "SRS Act"), each state and county is accountable for the proper use of funds under the Single Audit Act..., and if the county share of the State payment is \$350,000 or greater, the county must allocate a total of 15% to 20% of its share to Title II projects and/or to Title III, except that the allocation for Title III projects may not exceed 7%, or return a portion to the U.S. Treasury.

Effect: The County is not in compliance with these requirements and could be penalized by the United States Department of Agriculture. Also, the County was required to commit additional County funds to Title III projects for the 2013 fiscal year in order to ensure that the required amount of 2012 fiscal year funding was spent on Title III allowable projects.

Questioned Costs: None

Cause: Management was unaware of the requirement to allow for a 45-day public comment period as well as the requirement to submit proper certification regarding the use of the Title III County funds. Also, the County was not aware of the allocation requirements for Title III funds, and did not track the expenditures used to ensure these funds were for allowable Title III projects.

Auditors' Recommendation: We recommend that the County implement internal controls in order to review all requirements of grants and agreements received to ensure that the County complies with the applicable grants.

Management Response: Management will determine where the responsibility lies within the organization and staff as to who needs to be held accountable for completing the grants management tasks and make sure they following the grant requirements.

The Finance Department for McKinley County has set up separate Line item account numbers in three different funds to better track the accounting for Secure Rural Schools Title I, II, and III funds received from the Forest Reserve.

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Schedule of Findings and Questioned Costs
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Section III – Summary of Prior Year Audit Findings

- FS 09-02 — Bank Reconciliations – Material Weakness- Resolved
- FS 09-04 — PERA & RHC Report Submission – Material Weakness/Noncompliance- Resolved
- FS 10-02 — Accounting Conversion Journal Entries – Material Weakness- Resolved
- FS 10-03 — Capital Assets Accounting System – Material Weakness- Resolved
- FS 11-01 — Deficiencies in Design over Internal Controls – Material Weakness- Repeat/ Modified
- FS 11-02 — Stale Dated Checks- Other Matters- Resolved
- FS 11-03 — Travel and Per Diem- Other Matters- Repeat/ Modified
- FS 11-04 — Personal Use of County Vehicle- Other Matters- Resolved

STATE OF NEW MEXICO

McKinley County

Other Disclosures

June 30, 2012

Exit Conference

An exit conference was held on November 9, 2012. In attendance were the following:

Representing McKinley County:

David R. Dallago, Jr., County Commissioner – Chairman

Carol Bowman-Muskett, County Commissioner

Richard Kontz, County Manager

Richard Bowman, County Treasurer

Sara Keeler, Finance Director

Douglas W. Decker, County Attorney

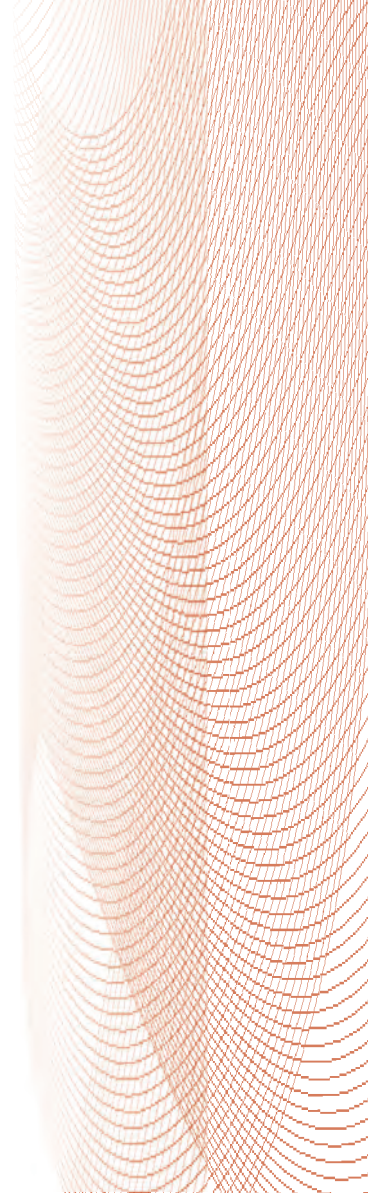
Representing Accounting & Consulting Group, LLP:

Ray Roberts, CPA, Managing Partner

Robert A. Gonzales, In-charge

Auditor Prepared Financial Statements

Accounting and Consulting, Group, LLP prepared the GAAP-basis financial statements and footnotes of McKinley County from the original books and records provided to them by the management of the County. The responsibility for the financial statements remains with the County.



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